

Lord Soames on way to Rhodesia despite ceasefire fears

The Government insisted yesterday, in spite of loud Opposition protests in Parliament, that the presence of Lord Soames in Rhodesia as Governor was vital to safeguard a settlement. Announcing the Governor's departure, Lord

Carrington told the Lords: "I am fearful about stability." In the Commons, Sir Ian Gilmour gave an even sterner warning of the risk that hostilities might increase. Lord Soames is due to arrive today in Salisbury.

Loud Opposition protest about takeover timing

by Fred Emery

Despite loud Opposition protests and misgivings the Government insisted yesterday that Lord Soames's presence in Rhodesia as Governor was vital to safeguard a settlement. Announcing the Governor's departure, Lord Carrington, the Foreign Secretary, told the Lords of the Governor's departure as well as the Opposition's protest.

Referring to the Rhodesian situation, Lord Carrington said: "I am fearful about stability."

In the Commons, Sir Ian Gilmour, Lord Privy Seal and Foreign Affairs spokesman, went further. He said there was a risk of a breakdown in the ceasefire.

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Governor being able to ask present Rhodesian forces to "deploy" they might have been even more aroused.

Beyond receiving from Mrs Thatcher and Sir Ian the reiterated statement that the Salisbury administration and forces had already agreed to place themselves under the Governor's authority from the moment he arrived, Mr Callaghan received little enlightenment. He first demanded to know what would happen of the Rhodesian forces, ordered an attack on the Rhodesian against the Patriotic Front, and grumbled that the answer was not good enough.

Later, after Sir Ian had repeatedly stated that the whole point was to bring cross-border activities by both sides to an end, Mr Callaghan again intervened to say that this too was not good enough. Suppose, he said, the attack came from the Patriotic Front, what would Lord Soames do then? Sir Ian tried saying he was confident that the Patriotic Front would shortly agree to placing themselves under Lord Soames's authority.

But it was the apprehension that Lord Soames might have to become involved in hostilities put by both Mr Callaghan and Mr Peter Shore, Labour shadow foreign secretary, that the Government found least helpful.

Both Lord Carrington and Sir Ian Gilmour admitted that Lord Soames's departure was not ideal but, they argued, it was essential. "If what we have achieved so far is not to be eroded by events outside the conference,"

Unless the Government can produce evidence of an imminent agreement on ceasefire details, today's Commons debate on the Zimbabwe Bill is likely to be laden with opposition demands for clarification. Already yesterday there were hours of discussion at the suggestion that Patriotic Front forces might not move back to Rhodesia. "It's their country," shouted Miss Joan Lester, Labour MP for Eton and Slough.

At this moment attention was diverted by a shout of "answer the bloody question" from Mr Andrew Faulds, Labour MP for Waverley East, with Mr Speaker ordering, and obtaining withdrawal of the expletive. So the point was missed.

But it came clear in the Lords when Lord Carrington, stating that nothing could be done in Rhodesia without Lord Soames's authority, explained that if all Patriotic Front forces complied with ceasefire arrangements and ceased moving across the border "there will be no need for Rhodesian forces to deploy from their bases."

This is the nub, in the British proposal the same phrase runs: "There would be no need in those circumstances for the Governor to ask the Rhodesian forces to deploy from their company bases."

Mr Shore suggested that the reason for what he called this "extraordinary acceleration" was that by today the existing Rhodesian authorities would have voted themselves out of existence, leaving "a lacuna". That is, in fact, only part, perhaps the greater part, of the Government's reasoning. For in sending Lord Soames now, as planned last Thursday, the Government also wanted to show the Patriotic Front there could be no more delay.

But Sir Ian Gilmour chose to concentrate on the need for making ceasefire arrangements, on the spot, as soon as Lord Soames arrived. He confirmed



Lord Carrington, the Foreign Secretary, with Lady Soames when she left the Foreign Office with Lord Soames yesterday to fly to Rhodesia.

that no outside military forces, either from Britain or the other Commonwealth countries, would be sent to Rhodesia until the ceasefire was signed.

Yesterday the Conservative benches were again far from exultant over the Government. But one rightwinger, Mr Ronald Bell, MP for Beaconsfield, congratulated them for ending what he called the disgraceful process whereby the Patriotic Front had been trying to delay an election until the rainy season provided better cover for "terrorism".

Sir Ian declined to speculate on the Patriotic Front's motives. He also declined to answer Mr Winston Churchill, Conservative MP for Stroud, whether Britain had received assurances from the front line presidents that all guerrilla infiltration into Rhodesia would now be controlled.

Mr Smith defiant, page 6

British sanctions against Rhodesia will end tonight as soon as Lord Soames's authority has been accepted.

United Nations Security Council, Commonwealth ambassadors and the front line presidents, and EEC partners of these moves last night.

One of Lord Soames's first actions, it is expected, will be to try to establish normal relations with neighbouring countries, particularly opening up the links to Zambia for the transport of maize.

Mr Walker, however, made it clear that Britain considered it was fully within its rights in asking for a "green pound" devaluation and had no intention of being blackmailed into making concessions on other matters in return.

Despite his tough talk Mr Walker made an important concession to the French tonight on wine. He agreed to a high level of EEC financing of measures to help vine growers in France and Italy than he had previously been prepared to accept.

The main purpose of the measures is to reduce the cost, while improving the quality, of Mediterranean vineyards by encouraging low-quality producers to turn to other crops or to abandon wine-making altogether.

Mr Walker's attitude reflected intense French irritation with what is regarded in Paris as British obstructionism towards attempts by the EEC to rationalize wine production and

the Deputy Governor, Major-General John Acland, his military adviser, Sir John Boyman, the election commissioner, Sir James Houghton, police adviser, a staff of about 20 civil servants, and a detachment of 16 military police to guard Government House.

The new Governor will be met by Bishop Muzorewa and other senior members of the former Rhodesian Government on arrival, but the ceremony will be kept to a minimum. The Union Jack is already on the

masthead of Government House, and will be broken out, so it is intended, as Lord Soames arrives in his car.

His first action will be to issue the necessary ordinances to begin his administration, to receive senior members of the Rhodesian Civil Service and police and make a broadcast to the nation. The danger of fighting, continuing is not under-estimated. Lord Soames, while hoping for a speedy ceasefire, will try to hold the status quo at as low a level as possible.

Anger breaks out in Brussels at French opposition to 'green pound' devaluation

From Michael Hornsby
Brussels, Dec 11

A furious argument broke out here today between Britain and France over the refusal of M Pierre Mhaingier, the French Minister of Agriculture, to agree to a devaluation of the green pound and hence to an increase in the price paid to British farmers.

An angry Mr Peter Walker, the British Minister of Agriculture, warned his EEC colleagues that unless France changed its mind, Britain "might have to resort to using French techniques". That, he said, could paralyse all discussions in the Council of Ministers.

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Mrs Onassis seeks divorce from Russian

From Our Own Correspondent
Athens, Dec 11

Mrs Christina Onassis, aged 28, the shipping owner, has instructed her Greek lawyer to file a petition for divorce from her third husband, Mr Sergei Kuzov, a Soviet citizen aged 38.

Mr Stelios Papadimitriou, her lawyer, who confirmed today that he had received the instructions, said he was considering where to file the petition. The civil marriage was performed at a wedding palace in Moscow 16 months ago.

Mr Papadimitriou said he was invoking "irreconcilable differences" as grounds for the divorce. He understood that Mr Kuzov was applying for a divorce on the same grounds.

Sources close to Mrs Onassis indicated that boredom was one of the main reasons for the breakdown of the marriage. "She is still fond of him," the source said, "and she will want to provide for him well."

Mrs Onassis is known to have transferred recently to her husband's name the ownership of one of her tankers valued at

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Mr Haughey approved after bitter debate

From Christopher Thomas
Dublin

Anger and dismay dominated a bitter debate in the Dail last night on the choice of Ireland's seventh Prime Minister. After six hours he was approved by 82 votes to 77.

Mr Charles Haughey, new leader of the ruling Fianna Fail Party, sat dispassionately throughout a series of criticisms that frequently impugned not only his political wisdom but his personal morality. The Irish Republic has rarely been so moved by the choice of any of its previous prime ministers.

The main opposition party, Fine Gael, ordered its back benches to filibuster in what should have been a short debate on the new leader.

Within a few hours Mr Haughey had expected the Dail debate to be over, so he could present himself to President Patrick Hillery and receive the seal of office, which had been handed in at 10 am by Mr Jack Lynch.

Fine Gael and the Labour Party, however, kept the new leader from his appointment, and left the nation in suspense over the proposed new Cabinet until late last night.

The antipathy towards Mr Haughey was exceptional. He stated expressively across the small Dail chamber as Dr Garret Fitzgerald, the Fine Gael leader, launched a lengthy and impassioned critique. He declared that the party would rue its misjudgment.

"First," said Dr Fitzgerald, "there is the question mark that remains over a man accused of importing arms for the IRA." For nine years after the trial Mr Haughey had refused to utter one word of condemnation of the IRA. No minister was precluded from expressing abhorrence for the IRA and its murders, its robberies, north and south, its orgy of destruction, and its threat to democratic institutions.

He continued: "If Mr Haughey abhorred the IRA and its terrorism, he should have said so at the time of his appointment."

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Terrorists shoot ten students and staff at Turin University

Turin, Dec 11.—A group of

left-wing terrorists, including several women, raided the university business school here today, herded more than 200 teachers and students into the main hall then after questioning them opened fire on ten of them.

The victims—five lecturers and five students—had broken legs and kneecaps and were in fair condition at nearby hospitals.

Police sources said it was the first time the Italian terrorists resorted to a mass kidnapping and was one of the "most carefully planned" kidnappings in Italy, where terrorists have previously killed 17 people and kidnapped 20.

Four of the wounded lecturers were officials of Fiat, which provides financial and technical assistance to the school. Fiat officials have often been the target of leftist terrorists. One lecturer was from Olivetti.

Police said the terrorists who numbered at least a dozen also left a note saying the attack had been carried out "in honour of comrades Barbara and Maffeo". Police said the terrorists apparently referred to Barbara Azzaroni and Maffeo Caggegi, both Front Line terrorists who were killed in a battle with police in Turin last February.

There were more than 200 teachers, students and clerical staff in the school at the time of the attack.

The terrorists, wielding submachine guns and pistols, dragged the teachers and the students out of the offices, classrooms, and the library and ordered them into the hall for a "threatening lecture", the police said.

One of the terrorists mounted the podium and told the audience that they were taking over the school for "proletarian occupation" because it was "part of the power structure".

The terrorists then "selected" the five teachers and five students, dragged them out to the courtyard and shot them on their knees, police said.

One of the terrorists said the terrorists had attempted "brainwashing" during their one-hour takeover of the school, affiliated with Turin University and partly supported by Fiat, the Italian automotive giant.

"We followed their (terrorists') orders like a flock of sheep," Barbara Bosco, aged 22, a librarian, said. "We were so scared but the terrorists—there were several women, too—were so cool and they seemed to know exactly what they wanted."

The terrorists also rifled through the school's documents and took "volumes of papers", police said.—A Pund UPI.

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More Shell drivers go back to work

By Donald Macintyre
Labour Reporter

Shell management will meet tomorrow and General Workers' Union negotiators today after further signs of fast-windmilling support for the strike over the use of contract labour.

Although the company said yesterday that about 80 per cent of its filling stations had run dry, supplies should increase rapidly over the next few days.

Employees at 32 of the company's 45 main depots had resumed normal working by last night or had decided to do so, the company said.

The dispute began when about 500 drivers at 14 terminals were suspended for refusing to work with contract labour.

The company wants to increase supplies handled by outside contractors from their present 8 to 9 per cent to previous levels of about 15 per cent and eventually to about a quarter. The management has told the union, however, that it will not implement the increases, which shop stewards fear will mean losses of jobs, until the effect on individual depots has been discussed.

Among depots returning to normal are six of the 14 at which drivers had been suspended. The company indicated last night that the drivers had rescinded their ban on outside contractors.

On Friday shop stewards representing the 1,500 drivers and terminal staff voted to prolong the strike after the company refused the union's demand for arbitration, but the return to work over the past few days appears to leave the management in a strong position for this morning's talks.

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Exocet
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Expertise
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Satisfaction
Six Weeks' Leave
Skiing
Sea
Shooting
Sonar
Swimming
Sea Cat
Spithead Pheasant
Sea Wolf
Sea Slug
Sea Dart
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To: Captain D. Pentreath RN, Officer Entry Section (9XT1), Old Admiralty Building, Spring Gardens, London SW1A 2BE.

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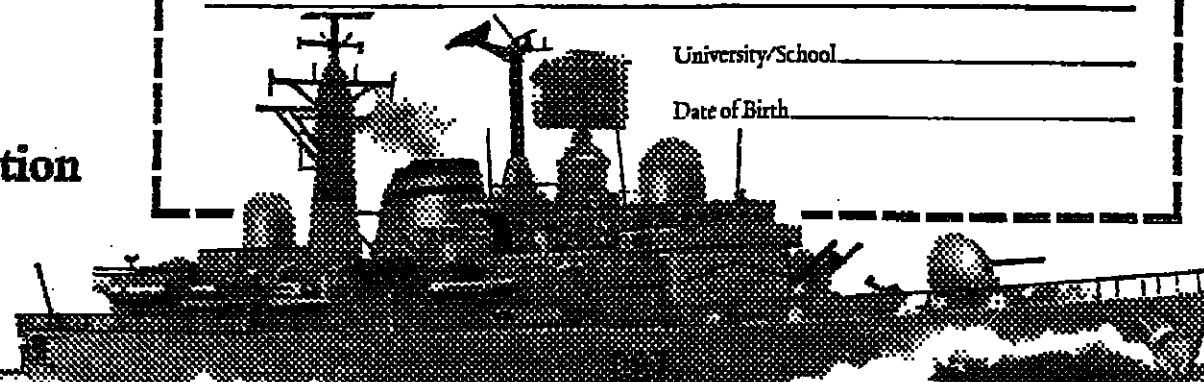
This commission does not apply to Flying Duties, Engineers or Supply and Secretariat Officers.

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The Navy's new Short Career Commission.

HOME NEWS

Health service bureaucracy will be cut and jobs will vanish in simplified structure

By John Roper

Health Services Correspondent

The complicated management structure that has bedeviled quick decision-making since the reorganization of the National Health Service in 1974 is to be untangled over the next two years.

A government consultative document, published yesterday under the title *Patients First*, is aimed at reducing bureaucracy and concentrating responsibility at district and hospital level.

Most of the 90 area health authorities will disappear to be replaced by between 150 and 180 district authorities. The structure will be simplified and duplication of functions at two or three levels will go. Some jobs will be lost. The Government estimates that the changes will save 10 per cent, about £30m, of administrative and management costs.

Some premises will be sold and the money put to patient care. The future of Community Health Councils, the public's "watch-dog", is put in question.

Doctors are likely strongly to resist a proposal that consultant appointments should be the responsibility of the new district authorities.

Discussion on the document must be completed by April 30, after which the 14 regional authorities will have to introduce the changes over about two years.

Mr Patrick Jenkin, Secretary of State for Social Services, said yesterday: "The service needs effective local leadership.

That is what we are determined to give it."

The proposals were aimed at "the top banner of management". There was duplication at two or three levels of management of domestic, catering and porter services. That must all be brought to a single level, the hospital.

It was impossible, he said, to say how many jobs would disappear. There was much potential waste. There would be no automatic transfer of functions to the new authorities. Staff concerned would be consulted but the idea of a national staff commission had been rejected.

The Government says that maximum delegation of responsibility to those in the hospital and community services within policies determined by the district authorities, matched by a strengthening of hospital management, is the most important change needed.

Each big hospital or group, and associated community services, should have a senior administrator and nurse, who would take responsibility in conjunction with medical staff. Wherever possible, the two should be directly responsible to the district administrator and nursing officer, and hospital staff in non-clinical supportive services should be accountable to the hospital administrator.

About 36 single district areas already existed and would not be changed. All multidistrict areas should be reconstructed. Most new districts would have

a population of 200,000 or more. A few might be below 150,000 and a very few above 500,000.

Regional authorities would consult universities about medical schools' needs.

The membership of the new authorities would be reduced from 33 for the biggest area health authority to about 20, and the chairman, appointed by the Secretary of State.

There would be four local authority members. The practice of having a consultant, a general practitioner, a nurse, a university nominee and a trade unionist as members would continue, but there would not be formally elected staff representatives on the authorities.

Present arrangements for the administration of the family practitioner services should be retained, but one Family Practitioner Committee might cover more than one district.

The document says that in future health authorities will be less remote from local services and therefore the need for separate "consumer representation" as provided by Community Health Councils was less clear. Next year the councils would cost £5m. That money, Mr Jenkin suggested, might be better spent on patient care.

After the proposed changes come into effect, the regional health authorities will come under scrutiny. *Patients First: Consultative paper on the structure and management of the National Health Service in England and Wales* (Stationary Office, £1).

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Labour fight for consumer bodies

By George Clark

Political Correspondent

Labour Party spokesmen fought *Patients First* a remark-able form of "consultation document."

"In many areas it sets out firm proposals which are not open to argument or discussion," Mr Stanley Orme, MP for Salford, said. He was Minister for Social Security in the Labour Government, declared.

"Its main interest lies in the attempt to put right the disastrous decisions made by Sir Keith Joseph in the Conservative Government's reorganization of the health service in 1974."

The Opposition will insist on an early Commons debate on the document and on the report of the Royal Commission on the Health Service.

"We think the paragraph on the community health councils sounds the death knell for these useful bodies," Mr Orme said. "The royal commission recommended should be strengthened and given wider powers," Mr Orme said.

"It is crucial that there

should be some body representing the views of consumers standing between the Government and the administration of the health service, and we shall fight for the retention of these councils."

He criticized the sections on industrial democracy. While admitting that Labour did not have much success when it tried to introduce that change, Mr Orme said that the unions were now showing closer interest, and it was not the time to abandon the idea of the representation of local authorities on the district health authorities was a retrograde step. Those councils represented essential local democracy.

Mr Roland Moyle, MP for Lewisham East, former Minister of State for Health, said: "We fundamentally disagree with the Government's decision not to hold an inquiry into the London health services, where there are serious problems."

"There are four health authorities responsible for London, with 12 teaching hospitals, 13 postgraduate hospitals, an inner-city zone which is a

deprived area, and illogically shaped area boundaries. The organization cries out for a special review."

BMA welcome: The Government's plans to cut back the NHS bureaucracy were welcomed by the British Medical Association (BMA) spokesman. "The fact that the consultative document is called *Patients First* is encouraging, and the statement in it that the needs of the patient must be paramount" must be welcomed.

Mr William Darling, chairman of the National Association of Health Authorities, had reservations about the costs that might be saved. He thought it unfortunate that staff who might be adversely affected were left in a vacuum.

Mr Fraser Milne, secretary of the Institute of Health Service Administrators, welcomed the determination to avoid wholesale upheaval.

Labour was also disappointed that the Government had so easily accepted that family practitioner committees should continue



Margaret Kelly, aged 15, an Irish itinerant girl with no acting experience, who plays a leading part in "Kate", tomorrow's Play for Today on BBC 1. The documentary-drama shows the plight of tinkers in Ireland. Johnny, the boy, is a member of Margaret Kelly's family.

Killer 'only fined' for earlier attack

Mr Justice Watkins, VC, said at Cardiff Crown Court yesterday that a man convicted of attacking a girl was only fined. Within a month the man attacked another teenage girl and killed her.

"You are a dangerous man," the judge said to Stephen Latham, aged 17, a labourer, when he sentenced him to be detained as her Majesty's pleasure for murdering Helen Power, aged 17, a typist.

The judge said he was surprised that Latham was tried by magistrates for the earlier attack on a woman in the street at Brecon. He was fined £150 for that offence.

Latham, of The Waton, Brecon, had denied murder, and his plea of guilty to manslaughter had been rejected by the prosecution because of the extent of his victim's injuries.

He had shown no mercy to Miss Power as she lay helpless on the floor of a derelict cottage near her home at Brecon, the court was told. After battering her and squeezing her throat, he stamped on her, compressing one lung and damaging her pancreas. Police had found his footprints on the body.

Pledge to kill assisted school places

By Our Education Correspondent

London University, by far the largest in Britain is in a "disastrous plight" as a result of Government spending cuts and its policy on overseas student fees, Lord Annan, the vice-chancellor, says.

In a letter to Dr Edward Parkes, chairman of the University Grants Committee (UGC), Lord Annan says that three of the university's schools "will almost certainly have to close within two or three years", unless the Government is prepared to make special provision for them.

The London School of Economics, with 37 per cent overseas students, and the Institute of Education, with 29 per cent, were also seriously at risk. The average proportion of full-time overseas students for the whole of London University was 19 per cent, the national average was 13 per cent. According to the UGC, £30m of the university's annual income was at risk as a result of the Government's plan to introduce full fees for overseas students.

London University could not "save" the specialized institutions most at risk by rejigging its finances, because so many of its schools, large and small, believed that they would soon be on the verge of bankruptcy.

University faces ruin, Lord Annan says

By Diana Geddes

Education Correspondent

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Nationwide use of new exam urge

By Our Education Correspondent

A record of a pupil's performance in a range of subjects should be included on all certificates awarded for the proposed Certificate of Extended Education (CEE) examination, a committee set up by the Government recommends.

The committee, of which Professor Kevin Ketchum, rector of the Roehampton Institute of Higher Education was chairman, recommends that the examination, which is primarily designed for pupils aged 17 of average ability, should be officially introduced on a national basis.

CEE pilot schemes have been operating since 1972. Last year nearly 21,000 candidates from 921 schools and colleges entered for CEE examinations. Most of them were 17. Two thirds took only one subject. English and mathematics were the most popular.

The CEE is primarily intended for pupils who have achieved grades 2-4 in CSE examinations at the end of the fifth year and who want to stay at school for another year. The committee suggests that many of those pupils were now taking or retaking O levels or CSEs

which were in general inappropriate to their age.

It says that if the new examination is to satisfy needs of young people, it would be going straight to employment it must be capable of ensuring basic communication and numerical skills, providing some elements of vocational preparation, assisting the development of personal and social skills relevant to work, and of offering certification which gives access to employers on its points.

Proposals for a Certificate of Extended Education (Comm. 7755, Stationary Office, £2.25).

Weapons stored in Front's headquarters, inquiry told

By Penny Symon

Offensive weapons

were stored in what purported to be the National Front's headquarters in Hackney, London, a planning inquiry was told yesterday.

Mr Simon Read said that he was determined to be the National Front, but joined it last year to discover its internal workings in the hope of gaining knowledge to use against it.

Hackney Council is attempting to stop the National Front, NF Properties Ltd, Leachhouse Ltd, and Benjuya Ltd from using 73 Great Eastern Street as an office and administrative headquarters of a political party and as a publication and distribution centre.

Mr Read said there was no doubt that the building was the national headquarters of the National Front. He was on night guard duty at the premises about eight times between last December and June, and he had also visited the premises during the day. Weapons were stacked in a corner of the ground floor.

"They included wooden clubs and iron bars", he said.

"On one occasion there was a wooden pikeaxe handle with some very violently antisemitic written on it."

A general office contained a filing cabinet with membership records and pigeon holes with application forms and membership cards.

The building was used as a sanctuary by a notorious group of young local thugs, who had spoken to him of "having a go" at Asians, Mr Read said.

A couple of National Front activists came in to collect leaflets and they had red sweatshirts with "ironed on" white letters saying (kill niggers).

Mr Abdul Noor, a member of the Bangladesh Youth Movement for Equal Rights, alleged that people from his community had been attacked while walking past 73 Great Eastern Street.

He had been beaten up and left unconscious by four white youths wearing National Front badges.

The inquiry, before Mr Leo Kealey, principal planning inspector in the Department of the Environment, was adjourned until January 7.

How green the NCB has made our valleys

From Tim Jones

Ebbw Vale

Thirteen years after the tragedy of Aberfan, which killed 27 people, mainly children, the National Coal Board in South Wales yesterday announced a final phase of a programme designed to ensure that such an accident can never happen again.

At a cost of £45m civil engineers have flattened or drained the huge, black mountains, at an age when the coal magnet pillaged the valleys without any thought to human or environmental considerations.

For decades the pits are above the small valleys town absorbing rain, identified by inquiry into the disaster as its main cause, like massive, unstable sponges.

It was after the Aberfan tragedy that the coal board embarked on an examination of the 307 tips in its area and initiated one of the largest and most complex civil engineering programmes ever tackled in the United Kingdom.

The cost was certainly not while, for Mr Llyn Llewellyn, the civil engineer for the area said yesterday: "We can't risk lives."

Mr William Humphreys, NCB South Wales chief engineer said: "The whole environment of South Wales is better as a result. Colliery tips are no longer eyesores and the valleys have eliminated any possibility of another Aberfan."

Apart from improperly constructed tips, rainfall was a constant hazard. In the South Wales valleys it can amount to more than 130 inches a year compared with 28 inches in the north.

During the operation about 40 million tons of tip waste have been either removed, reconditioned or profiled. More than 100 miles of drainage pipes and channels have been constructed. At one pit the Marine Colliery, near Ebbw Vale, engineers consulted with soil scientists from Harwell and decided to install a radon substance called tritium, identified some of the subterranean water courses.

After three years' work, a cost of £1.8m, an 800-yard high tunnel has been driven into the mountain to intercept the water.

Tests carried out since tunnel was completed have shown that the water table has fallen by 22m as the run copes with torrents that sometimes exceed 400 gallons a minute.

Hoax call by Bhutto son alleged

Shahnawaz Bhutto, aged 21, son of the former President Bhutto of Pakistan, made a hoax call saying that a bomb had been placed at 10 Downing Street, it was alleged at Inner London Crown Court yesterday. He pleaded not guilty to making the call from his flat in Lowndes Square, Chelsea.

The prosecution said it was not until he was taken to Chelsea police station that it was known he was the son of President Bhutto, who was at that time under sentence of death.

Det Inspector John Bunn said Mr Bhutto made a written statement saying he wished to draw attention to what was happening in his country. He said he made the call.

The trial continues today.

Village telephone kiosk blown up

The only telephone box in the village of Ragnall, near Redford, Nottinghamshire, was blown up yesterday by a device used in army training exercises. Earlier an unknown caller warned Nottinghamshire police that he was going to blow up public property. He did not mention a kiosk.

New director possesses a true civil servant's tact

Polytechnic head hopes to build bridges

By Ian Bradley

The new director of the Polytechnic of North London is to be Dr David MacDowall. He will succeed Mr Terence Miller, the present director, on January 1.

Mr MacDowall, who is 49 and at present assistant director of the polytechnic with responsibility for academic planning, took the unusual step yesterday of holding a press conference to explain his thoughts about the job.

Under Mr Miller the polytechnic achieved considerable notoriety as a battleground of left and right and has never been out of the headlines for long.

Dr MacDowall seems likely to steer the polytechnic into calmer waters and away from the glare of publicity. He confessed: "I am probably a bit of a pragmatist, as is my predecessor, as 'basically a pragmatist'."

He would not be drawn on Mr Miller's comment in *The Times* on November 22 that his successor would need "a low cunning rather than a good brain."

With a true civil servant's



Dr David MacDowall: 'Basically a pragmatist.'

tact developed over 13 years at the Department of Education and Science and the University Grants Committee, Dr MacDowall said: "One needs administrative capacity and a sensitivity about the needs of different people, including students. I believe in civilized negotiations."

Dr MacDowall feels that the

polytechnic has changed since it got its image of a strife-torn establishment. He said: "I hope the days of conflict are receding. It is now a very serious institution, and I hope to see on the building of a regular staff and students to strengthen the end for which the place exists, the education of students."

He hopes to encourage the development of evening degree courses, especially in humanities and social studies.

Although he was reluctant to say how he would deal with the student occupations that have become something of a regular feature of life at the Polytechnic, Dr MacDowall seems unlikely to employ the military tactics of his predecessor.

His main academic interest is in the contribution of numeratics to the reconstruction of ancient history, although perhaps the students' union should take note that he has a particular interest in the successors to Alexander the Great in Asia.

Those wily ancients might yet prove to have a trick or two up their sleeves which could serve them well in dealing with rebellious students.

Compulsory training for motor cyclists urged

By Peter Waymark

Motoring Correspondent

Compulsory training and stricter driving tests for motor cyclists and moped riders are proposed today by Mr James Kerr, Chief Constable of Lincolnshire, which has one of Britain's highest casualty rates among motor cycle and moped riders.

Introducing a police survey of motor cycle accidents in Lincolnshire, Mr Kerr says compulsory training would help new riders to build up experience, making them safer and helping them to cope with difficult road and weather conditions.

The survey found that 61 per cent of two-wheeled vehicle drivers injured in accidents were learners. In winter months learners accounted for almost three-quarters of the victims.

Mr Kerr proposed radical changes in the driving test so that it includes "realistic riding conditions". He says the examiner should follow the candidate over the route instead of remaining at the starting point.

He also wants a law compelling two-wheeled drivers to use dipped headlights during daylight to make themselves more conspicuous.

Casualties to drivers and pillion passengers in Lincolnshire rose by 60 per cent between 1974 and 1976, compared with the national average of 44 per cent. In 1977 almost a quarter of new riders taking training did not reach 75 per cent in the next three years.

In a recent report the Ministry's Advisory Committee on Motorcycle Training said compulsory training should be introduced if the proportion of riders taking training did not reach 75 per cent in the next three years.

Another recommendation of the advisory committee was a new driving test to be taken in two parts, the first at an approved driving centre and the second on the road.

The call for compulsory use of headlights is not likely to be taken up. The Department of Transport is not convinced that such a measure would reduce accidents.

Accidents

Man allowed dogs to die in transit

Alfred Wood, an animal exporter, was fined £350 by magistrates at Crawley, Sussex, yesterday after the Bench had been told that he allowed three

Alsatian dogs to die during a journey to Garwick airport.

The prosecution said two of the dogs appeared to have suffocated in their crates which were packed into the back of Mr Wood's van. The other struggled itself after forcing its head through the wire mesh front of a crate in an attempt to escape.

Mr Richard Stafford, for the prosecution, said the incident happened on a hot day last June when Mr Wood was taking 16 dogs to the airport to be flown to Nigeria. A veterinary surgeon pronounced them medically fit to travel before they set off from Stoke at 3.30 pm. They arrived at Garwick airport

four and a half hours later.

Mr Wood, aged 42, of Wheatash Road, Addington, Surrey, is a partner in All Pets Transport Ltd, of Bedford Hill, Balham, London. He admitted two charges of allowing animals to suffer from exposure to "undue fluctuations in temperature, humidity and air pressure."

He also admitted one charge of failing to safeguard an animal from risk of injury. He denied two similar charges alleged to have taken place two weeks later.

Mr Wood told the magistrates: "I did make a mistake in misjudging the weather conditions on this occasion. I have no other excuses."

Mr Stafford said that on June 26 Mr Wood took another cargo of Alsatian dogs to Garwick, again for export to Nigeria. The

dogs were to be flown by I. Airlines, which later changed name to British Cargolift.

Mr Graham Jones, a veterinary consultant to the International Air Transport Association (IATA), said the crates he was using on that occasion were up to IATA standards. It had been rejected earlier.

Another airline which was member of the association.

Mr Jones added: "They had proper ventilation and I lacked sound construction. Made inquiries about these crates because I was horrified when I saw them."

Mr Wood told the court the crates had been provided by IAS Airlines, who had a contract before. He was not guilty on four counts and charge was dismissed. He was ordered to pay £100 costs.

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HOME NEWS

Council plans to offer £50 rewards to help curb vandalism

Mr Arthur Osman, Birmingham housing department, has proposed that £50 rewards should be paid for information leading to the conviction of vandals who damage housing estates.

The housing committee is expected to approve the move tomorrow. The reward money being paid from the housing revenue account.

A senior official said yesterday that because of the incidence of vandalism, the committee would be happy to pay out if that did reduce vandalism. "We do not know of any other authority that has taken this step."

Birmingham has nearly 1,000 council homes, of which a quarter are flats and maisonettes.

Mr Richard Westlake, the housing officer, said that vandalism on estates, particularly littering, presented considerable management difficulties.

As a general rule the rules on the estates are

reluctant to identify and report instances of vandalism. Consequently, it is rarely possible to deal with the culprits.

"Costs of vandalism are difficult to assess, particularly when determining whether damage has been caused by deliberate acts of vandalism."

He added: "In spite of this difficulty, it is estimated that the annual cost would not be less than £100,000 and could be as high as £200,000." That was not an inconsiderable sum on the housing account.

The matter was not confined to Birmingham, but he thought rewards might help.

A senior official explained: "It is often difficult to say that damage is malicious. But we hope the rewards will have a deterrent effect, at the very least it potential vandals know there is a greater chance of being reported."

"It is difficult to say why people are reluctant to report cases, but it could be that they think no one cares. Our rewards scheme might just show them that the problem is seen as a serious one."

We are considering further tax reliefs, Mr St John-Stevas says

More arts sponsors sought

Kenneth Gosling is Reporter

Moves to encourage private sponsorship of the arts, including possible further tax reliefs, being planned by Mr Norman St John-Stevas, Chancellor of the Duchy of Lancaster and Minister for the Arts.

With the help of Lord Odman a campaign is to be mounted in the new year existing to individuals and companies how best they can implement public support for arts.

Various meetings are being held, Mr St John-Stevas said, "and a committee will consider events of one kind and other."

"We are working very closely with the Association for Business Sponsorship of the Arts in thinking of various things, such as a publication showing the extent of tax concessions. We are looking at what further tax concessions might be desirable."

Mr St John-Stevas was explaining the setting up of the Office of Arts and Libraries as a separate entity with, he said, consequent benefits to the arts. They now had this as well as a place in the Cabinet.

On the Arts Council grant, which should be made known next month, he said he did not want to "move its money out a bit."

The interests of the two departments, the Victorian and Albert Museum, had been protected. Mr St John-Stevas disclosed the first time that there was longer any desire by the V&A to become an independent trust museum. "There are advantages in the Civil Service connection and we do not want to lose these museums as the greatest jewel in our crown. Two measures that are being considered for the statue book, Public Building Right, and the National Heritage Fund, are close to his art and as leader of the use, in charge of the legisla-

tive programme, he has been able to influence their progress. The National Heritage Fund Bill, back from the Lords, goes into committee on Tuesday.

"I consider that a very major achievement," he said, "and one that alone will make this tenure of mine well worth while. I felt I would have to move very swiftly to get it into the legislative programme. The fund was roughly £15m, and £25m a year thereafter."

"What made it acceptable to the arts world is that we have kept in the 'in lieu' procedure, which is being administered jointly by my office and the Environment Department."

Independent trustees were still to be appointed and he hoped to announce their names in February.

Two other aspects of the arts that have concerned him have been film and the arts in education.

He said he was working very closely with British Film Institute officials and Mr John Wood, Secretary of State for Trade, about further financing of the institute. "There will be positive proposals about that and I am anxious to promote closer cooperation between television and cinema, which will be of benefit to both."

The schools contained the audiences of the future, and not enough was being done in the field of art education. He was working on that with Mr Mark Carlisle, the Secretary of State for Education.

Mr St John-Stevas, who emphasized that he was still completely in charge of the department, having recently asked Mr Neil MacLennan, a junior minister in the Department of Education and Science, to assist him, said that there were still difficulties outstanding.

On the establishment of a gallery adjoining the Tate to house the Turner collection, he said he hoped, after a substantial offer from a foundation, to make an announcement in the new year.

Boy opens a lake to aid industry and amenities

From John Chatter, Falkstone, Northumberland

The first section of the 2,000-acre Kielder reservoir began to fill yesterday after a schoolboy aged nine initiated the closing of the gate on a secondary dam now holding back the head waters of the river North Tyne.

With the closing of the Bakethin dam, near the north-west end of what will be one of Europe's largest man-made lakes, slightly larger in surface area than Ulswater, about 170 acres will be inundated during the next three or four days.

The dam, 41ft high, will ensure that this section, covering flat land, will always be kept at about the same level irrespective of "draw down" during drought periods from the main lake, which is due to fill next winter.

The Bakethin subsidiary reservoir is being treated as an "amenity lake", its southern bank being designated as a nature reserve. Children from the Kielder First School, including Jonathan Hall, who had earlier operated the gate-closing mechanism, helped yesterday to begin to stock the lake with 5,000 young brown trout in readiness for controlled angling next summer.

The main contractors, Wimpey Construction Ltd, presented a cup to the school to be given annually to the pupil who makes the best contribution to wild life knowledge and conservation in the area.

Despite controversy, the £129m scheme has proceeded according to programme. Work



Jonathan Hall watching the water flow after he closed the Bakethin dam yesterday.

on the main dam, which will be three quarters of a mile long, was ahead of schedule when the weather stopped operations in the autumn.

The scheme, which includes 24 miles of additional pipeline to carry water as far south as the Teeside industrial area and parts of North Yorkshire, was devised as a single answer to the North-east region's estimated requirement of 350

million gallons a day by the year 2000, rising to 400 million, more than 100 million gallons a day above present consumption. Kielder Water will be able to store 41,350 million gallons.

Some of the forward calculations were made on the estimated requirements of the steel industry before its current troubles arose.

Mr Frank Ridley, chief executive designate of the North-

umbrian Water Authority, said yesterday that steel's demands had obviously slowed down, but the case for the Kielder scheme remained unaltered, particularly since it seemed that BSC intended to continue the development of new projects on Teeside.

He thought that the water from the Kielder scheme would be needed by 1981, when it is due to flow.

No feathers fly in assault on batteries

By Hugh Clayton, Agriculture Correspondent

Mr Spike Milligan, the comedian, opened a new animal welfare campaign yesterday amid the loud clucking of five caged chickens. "Be quiet", he said, "we are fighting for you."

He and other opponents of factory farms gathered in a public house in Whitehall before voicing a petition with almost 200,000 signatures across the road to 10 Downing Street. The petition called for a run-down, leading to a ban in 10 years, of battery production of chickens.

Asked if he would approve of illegal action to "liberate" battery chickens, Mr Milligan replied: "Yes, I would; I might even join in. It is the eroding factor in the quality of our own morality that is the worst part of it," he went on.

Battery farming of chickens in controlled conditions is one of the most widespread forms of livestock husbandry. Mr Peter Roberts, general secretary of Compassion in World Farming, said that two chickens in a battery unit were housed on floorspace the size of a long-playing record's sleeve.

Miss Bridget Brophy, the author, who supported the petition, said: "Intensive farming is simply a synonym for a concentration camp."

Mr Neville Wallace, director-general of the British Poultry Federation, which represents poultry farmers and packers, said later that members were always ready to consider better methods.

Journalist again loses plea over dismissal

Mr C. Gordon Tether, who was dismissed by The Financial Times after a dispute over editorial control of his daily "Lombard" column, yesterday lost the latest round of his claim for unfair dismissal.

The Employment Appeal Tribunal in London ruled against Mr Tether's complaint that rejection of his claim by an industrial tribunal was perverse.

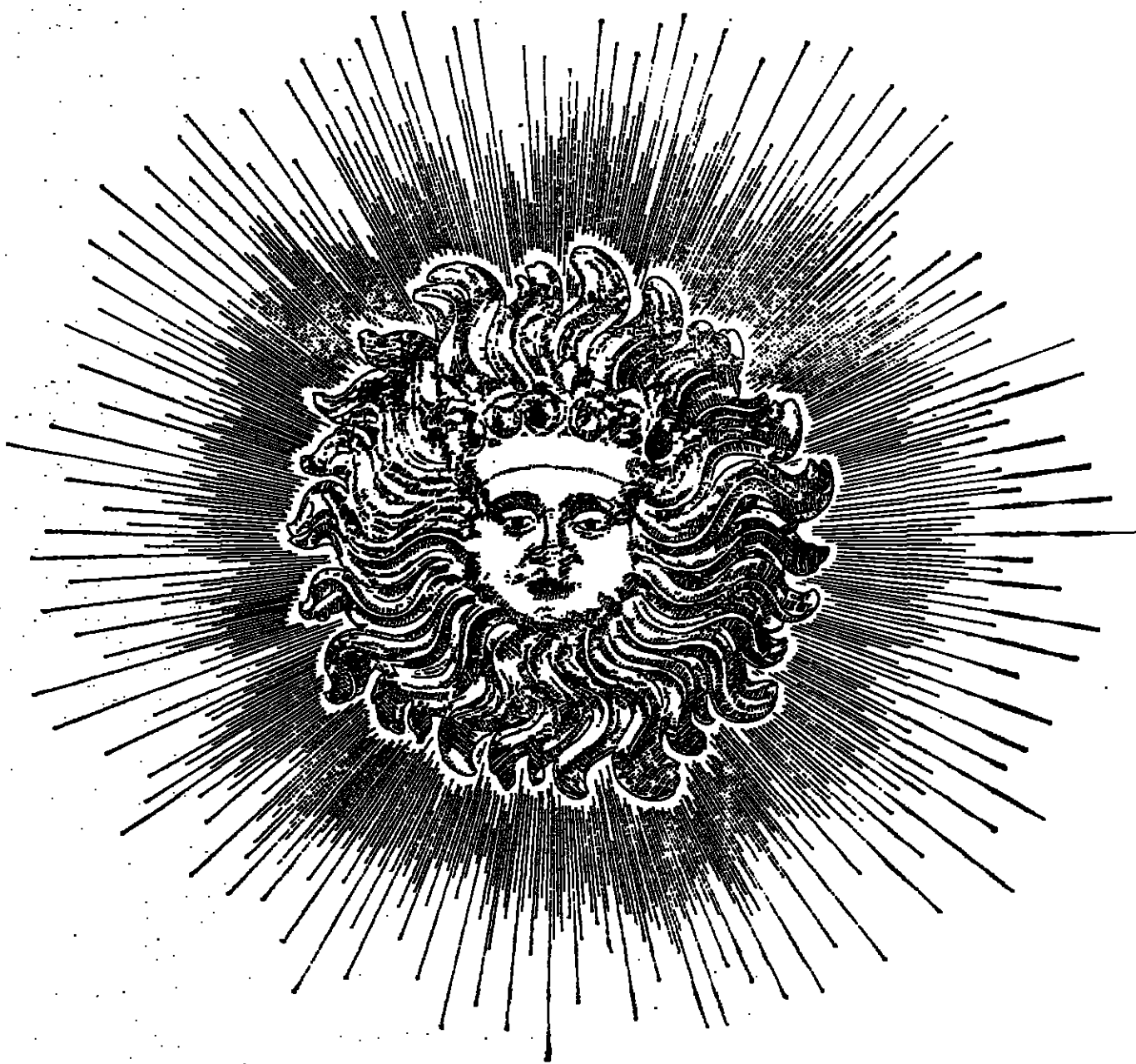
Mr Justice Slynn, the president, said that although the scope of the column had increased over the years it did not follow that Mr Tether had an implied right to publish articles as he chose, written in the way he chose.

Mr Tether, aged 65, of Lawford Hill Road, Worplesdon, Surrey, had worked for the paper for 45 years before being dismissed in 1976. He wrote the "Lombard" column for 31 years.

The tribunal yesterday accepted the sincerity of Mr Tether's views about his independence, which had established his reputation as a journalist.

The tribunal yesterday also ruled against Mr Tether's contention that his dismissal was unfair because he was not given a warning. He was refused leave to refer the case to the Court of Appeal but can still apply to that court for leave.

Mr Tether was in the United States yesterday, but after being told of the appeal tribunal's decision he said he was "very disappointed". He had not decided whether to pursue the case further.



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TV licence strike urged by Plaid Cymru

Plaid Cymru today urged television viewers in Wales to withhold their licence fees and tell the Government to "set up a Welsh language television service on the proposed fourth channel."

The licence campaign was launched at Cardiff by the party's spokesman on broadcast media, Mr Dafydd Thomas, the MP for Merioneth.

He claimed there was no realistic alternative to a full Welsh language service, because it will allow the growth of a Welsh television service in Wales, with a whole range of programmes, including peak-time viewing.

Secondly, it will remove the main existing television channels, and will attract the tens of thousands of Welsh-speaking viewers who did Welsh programmes by switching to channels in English.

Plaid Cymru has set up a television fund to hold licence fees in trust until a "proper television service" is established.

Fifth of those in jail are poor readers

By Our Home Affairs Correspondent

A report for the National Association for the Care and Resettlement of Offenders says today that 21 per cent of the prison population in 1977-78 had a reading age of less than 10 years.

The report, by Mr Harold Marks, a former government inspector of adult and further education, says that a survey by Devon probation officers found that 327 out of 1,500 people under their supervision had literacy problems.

Mr Marks, who is retired, included in his former duties inspection of prisons, hostels and detention centres. In the report he gives details of eight educational schemes in which offenders are given tuition in the community and lists ten more.

He concludes that offenders should be able to combine outside prison tuition they have received inside.

Education for Offenders: provision and needs, free from NACRO, 169 Clapham Road, London SW9 0PU.

500,000 appeal to expand villages for disabled

A Staff Reporter

An appeal for £500,000 to provide more jobs and homes for disabled people was launched yesterday by Lord Ritchie, chairman of the Village Centres Association. The association runs the two villages, Enham village centre, Hampshire, and Papworth village settlement, Cambridge, which were founded 60 years ago.

They provide jobs for 540 disabled people and homes for 100 disabled families. The appeal is intended to provide a further 110 people into villages.

is that because of government public spending cuts voluntary organizations will have to play a greater part in the expansion of services for the disabled.

Mrs Lynda Chalker, Parliamentary Under-Secretary of State for Health and Social Security, promised her support for the appeal.

She said: "Job opportunities for disabled people are precious. I am particularly pleased to see that much of the money will be used to develop and extend workshop provision in both villages."

The appeal has also received the support of the Confederation of British Industry and the Trades Union Congress.

WEST EUROPE

Sharp reminder to Nato members of need to pay their way to guard against surprise attack

From Henry Stanhope
Defence Correspondent
Brussels, Dec 11

Mr Harold Brown, the United States Defence Secretary, sharply reminded west European allies here today of their obligations under the so-called "transatlantic bargain" which was struck within Nato last year.

The Americans, partly under Nato's long-term defence programme, are pushing ahead with a reinforcement programme which would double the size of their land forces in west Europe within two weeks of a sudden attack, and triple their air forces over here in even less time.

But in return, they are relying upon west Europe to pay its part by providing stocks of equipment and air bases for the reinforcements when they arrived.

The West Germans have extensive plans for requisitioning civilian communications, roads and vehicles to help the Bundeswehr in wartime. The United States want similar provisions made for their own troops when they cross the

Atlantic. Sufficient air bases in Britain are one priority.

His own country was fulfilling its share of the bargain, Mr Brown said, but the Europeans had to contribute their share too, because the Americans could not do it all on their own.

He identified four areas in which the alliance was still falling short of its targets: size of war stocks; capacity to wage electronic warfare; number of reserves; and communications equipment.

It is unlikely however that his remarks, made at what American officials described as a "somber session" of Nato, were directed at Mr Francis Pym, the British Defence Secretary.

Mr Pym made a similar appeal, no less robust, could back in the satisfaction of knowing that Britain has increased its defence budget by over 4 per cent in 1979-80. This is not only more than 1 per cent more than the target set by Nato two years ago but is a better performance than any other country, including the United States.

Not only Nato's more impoverished members like Portugal and Turkey, but a number of richer powers such as Denmark, Canada and Italy are failing to meet their three per cent targets this year.

Even the West Germans are unlikely to raise their defence spending by the required amount, although they point out they have a higher budget than most of their allies, so should not be under quite the same obligation.

General Zeiner Gundersen, chairman of Nato's Military Committee, presenting his six-monthly report, said there was no sign of the Warsaw Pact military build-up reaching its peak. Imbalance challenged: Nato's assertions of a military imbalance were challenged by a delegation of 14 women who visited the Alliance Headquarters today.

"If these costly first-strike, non-verifiable weapons systems are deployed, they will undermine the spirit of SALT 2, reverse advances in détente and render the arms race beyond control," said Mrs Kay Camp, of the Women's International League for Peace and Freedom. —A.P.

Guide to European Parliament

What Budget defeat would mean

From Michael Hornsby
Brussels, Dec 11

The European Parliament is expected this week to reject the EEC budget for 1980 and ask for a new draft to be submitted to it. What follows is a plain man's guide to the Parliament, its powers and the implications of the unprecedented action it is contemplating.

The Parliament: There is some doubt whether the European Parliament should go by that name at all. The Rome treaty speaks only of an "assembly". The Parliament certainly has few of the powers usually associated with such a body. Nor can it acquire any more without the permission of EEC member states.

It cannot, for example, make or break governments because there is no supranational European government accountable to it. Nor can it initiate, amend or pass legislation. It can do little more than offer opinions, which member states are required to seek but not to heed.

The one important exception to this essentially consultative role is the part played by the Parliament in determining the size and composition of the EEC's annual budget. Yet even here, there are strict limits to what the Parliament can do.

Direct elections: The first direct elections to the Parliament, whose members were previously appointed by national parliaments, were held between June 7 and June 10 this year. This increased its size from 198 to 410 members and gave it a stronger constitutional position.

None the less, the resolve of Euro-MPs to use such powers as they do possess more boldly than in the past clearly owes much to the self-confidence they have come from being directly elected.

The elections returned a broad centre-right majority, though the Socialists (including the rump of Britain's Labour contingent) emerged as the single biggest group with 112 seats.

The other groups are: Christian Democrats (108),

British and Danish Conservatives (64), Communists (44), Liberals (40), French Gaullists, Irish Fianna Fail and Danish Progress Party under the joint banner of European Progressive Democrats (22), and others (20).

Budgetary powers: Each year the European Commission draws up an estimate of the funds needed in the following year to finance EEC policies, and proposes an allocation between the various sectors: agriculture, industry, regional development, social aid to the unemployed and so on.

This estimate is forwarded to EEC budget ministers who invariably make savage cuts in non-agricultural spending, and transfer the mutilated remains of the draft budget to the Parliament. The Parliament just as regularly restores most of these cuts, which are then rejected yet again by the Council of Ministers.

Thus the 1980 draft originally proposed by the Commission came to about £11,650m, whereas the budget which the Parliament is being asked to adopt this week totals only about £10,000m because of pruning by budget ministers of the non-agricultural items.

The Parliament has little control over the three-quarters of the budget spent on supporting farmers' prices and classified as obligatory, that is, money the EEC is compelled to spend to fulfil obligations laid down in the treaty of Rome.

The Parliament may propose changes in "obligatory" spending but cannot force them on the Council of Ministers. It does have a veto, however, over other expenditure, provided it can muster a three-fifths majority, but cannot increase them beyond an overall limit set by the Commission.

Farm spending: This year the Parliament made a novel attempt to freeze some £180m of the budget for subsidies to dairy farmers, the need for which it held to be unproven. The Parliament further argued that because this proposal entailed

no increase in overall budget expenditure it could be rejected only by a weighted majority of the Council of Ministers.

Had Britain been prepared last month to join Italy and Holland in support of the Parliament's proposal, such a majority could not have been found (the big member states having more votes than the small).

That in turn might have encouraged the Parliament to come back next year with proposals for even bigger cuts in farm spending.

Such a prospect horrified the French and other champions of the sanctity of farm spending, the level of which they consider to be entirely a matter for national governments. For their part, the British were torn between their desire for tighter control of farm spending and the distrust of the Parliament's intentions.

Budget rejection: Provided more than half the total membership of the House and two thirds of all votes cast are in favour, the Parliament can reject the entire budget and request a new draft.

Implications of rejection: The EEC would not run out of money. The Parliament has no control over budget revenue which is furnished automatically by customs duties, agricultural levies and a portion of the proceeds of value-added tax.

So long as no budget has been adopted, however, the EEC is in principle prohibited from spending more money than the previous year, though some leeway is apparently allowed by the Council of Ministers to vote an increase in agricultural expenditure without parliamentary approval.

Rejection of the budget would thus not be quite as cataclysmic as it might seem. All the same, it would be a portentous event, signalling the problems of cash flow particularly for the profligate agricultural sector. The Parliament hopes this threat will be enough to bring concessions from member states.

Paris tribute to Fastnet helicopter crews

From Charles Hargrove
Paris, Dec 11

La Hague, St Vincent, the Nile, Trafalgar are not the only things the Marine Nationale and the Royal Navy have in common. They have fought a common enemy since the Crimean war, and continue to battle against the elements together.

Perhaps for the very reason that they fought each other so valiantly and doggedly in the past, the British commandship between French and British seamen, in spite of the "language war", is so strong at present.

One felt it last night at the banquet given in the magnificent setting of the National Maritime Museum by the Yacht Club de France (YCF) in honour of the officers and men of the helicopters of the Royal Navy who rescued 74 yachtsmen, many of them French, shipwrecked by the storm in last autumn's Fastnet race.

Among those present at the dinner, attended by about 150 members of the YCF and their wives, were Admiral Patou, the former chief of staff of the French Navy, and Commander Luc Marie Rayle, director of the National Maritime Museum.

In his speech of welcome in English, the YCF President, M. Philippe Maucet, said: "Most of those rescued were wounded in the most desperate conditions by a line hanging from the helicopters. No one would ever have thought it possible at night, in such mountainous seas, with winds of 60 knots, to achieve these fantastic rescue operations. We are all sea lovers, and friends across the sea, and we wanted to tell you, who did all this, our admiration for your bravery, your skill, and your success."

Replying in excellent French to the president's speech, Captain W. S. Guechoback, the British naval attaché admitted that he was no yachtsman. "When I go to sea, I need a ship of at least 2,000 tons, a crew of 200, a bathroom, a steward and a decent housing," he remarked. "The helicopters of the Royal Navy have frequently participated in rescue operations of this kind, often in the most awful weather, and have saved thousands of lives away from their base."

Such rescue operations, he said, demanded cooperation between seamen and airmen and often between countries. "Cooperation between the rescue services of our two countries is well rehearsed. That is one of the many fields in which the French Navy and the Royal Navy join forces."

Recalled Dutch envoy goes back to Paris

From Our Correspondent
Amsterdam, Dec 11

The Dutch Ambassador to France, Jonkheer Lodewijk van Ransbeek, has returned to his post in Paris. He had been recalled a week ago as a protest against the French Government's decision not to submit a convention against the pollution of the Rhine to the National Assembly for ratification.

In a letter to Parliament the Dutch Government says: "It expects France to put forward proposals which will lead to a substantial reduction of the amount of salt being dumped into the Rhine by the state-owned potash mines in Alsace."

If the French proposals are not forthcoming this will have an "increasingly negative consequence on the relations between the Netherlands and France", the letter adds.

Sicilian police arrest Mafia 'godson'

Palermo, Dec 11.—Leopoldo Bagarella, a reputed Mafia "godson", was arrested today in the centre of his native Corleone in Sicily after an extensive search in Italy and abroad.

Signor Bagarella, aged 38, said by police to be a high-ranking member of the "chief-of-chiefs" Luciano Liggio, was stopped while driving with false identity papers.

Investigators had been searching for him for more than a year in connection with charges ranging from conspiracy to commit crime to various murder investigations.

One investigation involves the death of Boris Giuliano, a Palermo narcotics police chief, a few days after 9lb of heroin was found in what police believed to be one of Signor Bagarella's hiding places.—A.P.

Safe haven for world's largest floating dock

From Robert Schull
Amsterdam, Dec 11

The world's biggest floating dock arrived safely in southern Norway yesterday after an Atlantic crossing of 1,300 miles, a journey which started near the North Cape.

The Russian dock, which was stranded near Murmansk in October, was towed to safety by the two most powerful tugboats in the world, the Rotterdam-based Smit London and the Smit Rotterdam. It is hoped that repairs can be made to the dock, which would have been in the Arctic winter if it had been left stranded.

The journey almost ended in disaster some two weeks ago when heavy storms in the Atlantic forced the convoy to take refuge in a fjord near Trondheim along the coast of central Norway.

Dutch kill robbers

Amsterdam, Dec 11.—Two robbers who were shot dead by police yesterday as they tried to escape after a bank robbery were both Italians, from Naples, living illegally in the Netherlands, police said today.

Strasbourg horse trading enters crucial phase

From David Wood
Strasbourg, Dec 11

The EEC's characteristic horse trading over the budget for 1980 enters a crucial phase in Strasbourg tomorrow. On Thursday, the European Parliament will vote on the Commission's budget, and after a trial of electronic voting last night, the vote is expected to be by roll call.

Tomorrow, the Council of Ministers meets here to decide whether, according to practice, it can let a few crumbs fall from its table to make possible a compromise with the Parliament.

Something will depend on the level of representation of the governments of the nine in tomorrow's Council of Ministers. The Finance Council that "arrogantly" disregarded the Parliament's amendments to the budget consisted mainly of junior ministers.

Tomorrow the Council is again demoted to minister of state level by some countries, in a day when nothing but finance ministers would appease

a democratically elected Parliament.

If, as at present seems likely, the Council's modified budget for 1980 enters a crucial phase in Strasbourg tomorrow, the Council of Ministers' substantive budget, and after a trial of electronic voting last night, the vote is expected to be by roll call.

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French accuse Britain of spreading new dog disease

From Ian Murray
Paris, Dec 11

Britain, already unpopular in France because of its attempts to sell lamb here, has now fallen into bad odour with French dog breeders. It is all because of the tiny Parvo virus which is running amok among France's eight million dogs.

The virus comes from Texas, and is apparently a close relative of the virus which causes typhoid in cats. In 1977 it raged around the Lone Star State, killing off the older and weaker of man's best friends.

From Texas, where the virus began to diminish in ferocity after about a year, the virus invaded Europe, presumably

travelling by jet on Texas shoe-soles. The principal migration routes appear to have been through Britain, Belgium and Holland, where the disease was first noticed last spring. The symptoms are diarrhoea, vomiting and often bleeding. About 5 per cent of the animals which catch it die and the disease is distressing to have to treat.

The first case arrived in France in June and since then it has spread widely, although not uniformly, round the country. Paris and Alsace seem the worst hit with up to 30 cases a day being reported to veterinarians. So far 19 different regions have been affected.

The epidemic caused the staff at the veterinary school in Maison Alfort, just outside Paris, to call a press conference last month to advise people not to panic and to bring their pet along for a check-up if it showed any symptoms. People were also told they could pay to have their pets given a vaccine against can typhoid which might protect dogs.

The press conference did nothing to stop the spread of the disease, however, and the result has been a strong statement from the National Union of Pedigree Dog Breeders calling for the closure of all French frontiers against the import of dogs for the next

three months. The union, which represents 80 per cent of the small breeders in France, believes this would be the best means to limit the spread of the disease.

Since no cases have been reported so far in either West Germany or Spain, the union points an accusing finger at Britain as one of the countries which may have acted as a carrier of the disease.

A public statement by the union said angrily that while the British will not allow French breeders to export dogs to Britain they demand that French frontiers be open to allow British dogs. This, said the statement, "borders on illegality".

OVERSEAS

Final act of Smith defiance as Salisbury parliament ends the 14 years of rebellion

From Nicholas Ashford
Salisbury, Dec 11

In a final act of defiance, Mr Ian Smith, leader of Rhodesia's 230,000 whites, took his country into rebellion against Britain 14 years ago, has decided to boycott the arrival tomorrow of the British Governor-designate, Lord Soames.

Mr Smith is one of three members of the outgoing Zimbebe Rhodesian Government who were invited to attend the ceremony at the airport to welcome Lord Soames, a spokesman for Mr Smith said he would be unable to attend because he would be away.

However, Mr Smith was present in Parliament this afternoon for the tabling of a bill which formally terminates 14 years of UDI and it was learned here that he will be at his home tomorrow.

The other absentees are Mr Sibus Muzurewa, the Deputy Prime Minister, who is still in London and Mr David Mukeke who is away.

Lord Soames is due in Salisbury at 2.10 pm tomorrow. He will be met first by Mr Robin Byatt, the British representative in Salisbury and then by members of the outgoing Zimbebe Rhodesian Government, and also by Mr J. Lewis, the acting Chief Justice.

A British spokesman said the welcoming delegation had been chosen because they were "leading delegates" at the Lancaster House conference. However it was noted that internal representatives of the Zulu and Xhosa wings of the Patriotic Front organisation, who also attended the Lancaster House talks will not be present for the Governor's arrival.

Lord Soames will be driven to Government House and will later broadcast to the nation on radio and television.

Confirmation of Lord Soames' arrival was first given by Bishop Muzurewa at the start of this afternoon's parliamentary debate on the Constitution of Zimbabwe Rhodesia Amendment Bill which dissolved the present government and brings to an end the "internal settlement".

The house was hushed and tense when Bishop Muzurewa announced that the governor's impending arrival, an act which marks the country's return to legality.

The Bill, which declares that Zimbabwe is no longer a sovereign state and hands over power to the British government, was introduced by Mr Chris Andersen, the Minister of Justice.

He told black and white MPs there was no profit to be gained by examining what he believed to have been lost. "I believe there should be far more profit in concentrating on what has been won."

Mr Andersen dealt at length with the illegality of replacing black rule with white rule, a new constitutional arrangement. He said that if it was legal for the previous parliament to revoke the 1969 white-

rule constitution then it was difficult to accept that the present parliament could not revoke the existing constitution.

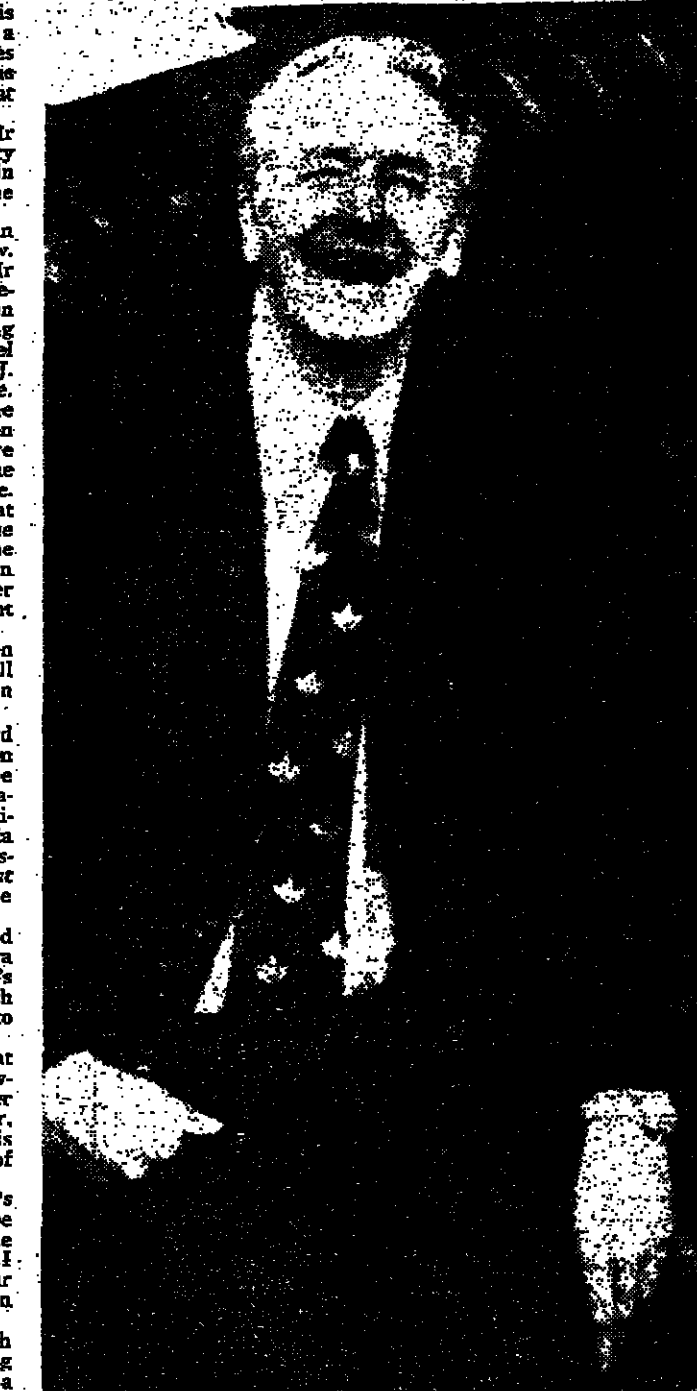
Mr Andersen wished Lord Soames well in the difficult task that lay ahead of him and offered to assist him.

The mood of Parliament was generally one of unenthusiastic acceptance that the internal settlement had failed and the territory must revert to British rule, albeit temporarily.

Mr Paddy Malton, a Rhodesian Front MP, said he supported the Bill because there was "no viable alternative". Mr Trevor Dollar, another white speaker, expressed the hope

that "minority groups" would not live to regret the trust they were placing in the country's black majority.

The Bill was approved by 80 votes to nil. It will be published in an extraordinary issue of the Government Gazette before Lord Soames' arrival. Meanwhile Combined Operations headquarters announced the deaths of 35 white people during the last two days of the Zambia damage. A five-man delegation of the United Nations Security Council ad hoc committee on Zambia arrived today for a four-day visit to assess the cost of repairs to the 12 rail and road bridges blown up by Rhodesian commandos.—A.P.



Laughter in Parliament from Mr Smith during the debate which ended 14 years of UDI.

Allies asked to press Iran harder

From Our Correspondent
Brussels, Dec 11

Mr Harold Brown, the United States Defence Secretary called for more positive support for America in its attempts to free the hostages in Iran, when he addressed a press conference here today.

He thanked the Allies for the sympathy and support, which had been much appreciated by the United States. But he went on to say it was appropriate for the Allies, our friends and the world community to reflect their disapproval through concrete diplomatic and economic steps.

Mr Brown, who has spoken before to other defence ministers attending a week of Nato meetings, declined to specify what form the steps might take.

Asked if he ruled out the option of a naval blockade against Iran, he replied: "I neither rule out nor rule in anything." But he said he would prefer to bring purely economic and diplomatic pressure to bear.

Mr Brown expressed concern at the treatment of the hostages. "The denial of requests that neutral outsiders be allowed to see and talk with the hostages on a regular basis to determine their condition compounds the outrage. It makes me, for example, very suspicious of statements that they are being well treated."

"Where are they? How are they? The world demands to know. Their isolation, the blind faith in their hands and feet, the denial of conversations with each other and with outsiders—these facts are not compatible with the hollow assurances that they have not been harmed," he said.

Vance plea: Mr Cyrus Vance, the American Secretary of State today met West German leaders to seek support for collective economic pressure to secure the release of the hostages (Patricia Clough writes from Bonn).

The West Germans have been extremely reserved about the meeting and are refusing even to discuss possible measures, even hypothetically, until they have heard what Mr Vance has to say.

Bonn would clearly like to show the maximum solidarity with its most important ally, but economic measures would create legal and practical problems and there is also concern for the safety of numerous West German businessmen and technicians and diplomats in Iran.

Spy trial of US hostages to be postpone while 'American crimes' are investigated

From Our Correspondent
Tehran, Dec 11.—Mr Sadeq Qotbzadeh, the Iranian Foreign Minister, said today that the trial of American hostages on charges of spying will be deferred until an international commission has investigated the "crimes" of the United States.

Mr Qotbzadeh told selected foreign journalists at a press conference that the formation of the international commission would be announced within 10 days. He called it a "grand jury" and said its foreign members would not include diplomats accredited to Iran.

The students holding the 50 hostages at the American Embassy would not comment on Mr Qotbzadeh's proposal, but said: "The hostages do not belong to Qotbzadeh or the Foreign Ministry, but they belong to the whole nation, whose decision is expressed by Imam (the Ayatollah) Khomeini."

Mr Qotbzadeh told the press conference: "We are going to have independent international observers to go and visit the prisoners. I hope in a very short time."

Asked if the so-called grand jury would try the hostages, he replied: "A grand jury is a grand jury, not a trial."

About 430 revolutionary followers of the radical leader, Shaikh Muhammad Montazeri, today occupied the departure lounge of Tehran international airport for the second day and pledged not to evacuate the airport grounds until they boarded an aircraft to fly to Lebanon to fight Israel and its allies.

Defying Lebanon's decision not to accept the volunteers and the measures taken in Beirut to prevent them landing there, Shaikh Montazeri said they would enter Lebanon by first flying to Damascus.—Reuters and UPI.

Robert Fisk writes from Tehran: The arrival of the Iranian Government's peace mission to the north-western

city of Tabriz brought at a temporary truce to the violence of the Iranian revolution. The three-man team, which includes Mr Abolhasan I. Sadr, the former Foreign Minister, arrived in the vanguard of the revolution, apparently only just in time to prevent further violence between Turkish-speaking porters of the Ayatollah Ka Shariat-Madari, the spiritual leader and follower of Ayatollah Khomeini.

Known to believers as the "father of the revolution", Mr Sadr, who is a nephew of Ayatollah Khomeini, has offered exchange himself for 20 of American hostages "to make for my peace life".—Reuters

Charles Douglas-Horne, pag

South Africa admits cat explosion on ocean isle

From Our Correspondent
Johannesburg, Dec 11

South Africa has admitted setting off an explosion deep in the South Atlantic, but it is not the nuclear test the West suspects it has conducted. On remote Marion Island, 1,200 miles south of Cape Town, which is used as a weather station, there has been a population explosion of cats.

Five ordinary domestic cats were taken to the island after it was annexed by South Africa in 1947 to deal with rats which were plaguing the island.

By 1975 the original five had multiplied to more than an estimated 6,000 and thriving virtually exterminated the rats had turned their attention to the birds which roost on the island.

According to Professor John Skinner, of the Department of Zoology at the University of Pretoria, the cats have been killing more than 600,000 birds a year and several species are now endangered.

But a desperate measure to bring down the cat population has angered animal lovers in South Africa. Helicopters have been used to throw 100 cats, infected with feline leucitis, to infect part of the island.

The virus has spread success-

fully and the cat population has been more than halved.

Dr Michael Levien, chairman of the South African Society for the Prevention of Cruelty to Animals (SPCA), said: "It is cruel and inhumane to infect cats with feline leucitis. It is a terrible and suffering death. In a sophisticated scientific civilisation, where man has been able to put man on the Moon and to manufacture petrol from coal, one would expect to find a way of humanely euthanizing these animals."

He is writing to the World Federation for the Protection of Animals, in Zurich to ask whether it can offer any scientific advice to solve the problem.

Mr Rudi Van Aarde, a research officer at the Mammal Research Institute of Pretoria University, said the cats preyed mostly on seagulls and petrels.

Previous attempts to reduce the cat population, including sterilization, had been unsuccessful. "The virus does not affect anything else and that is why we decided to use it."

How long it will work is not certain. Some zoologists believe a new generation of cats, born to infected cats, will develop immunity to the virus.

Tehran TV interview angers White House

From David Cross
Washington, Dec 11

A staged television interview with one of the 50 hostages being held in the American embassy in Tehran has caused a strong attack from the White House and congressional leaders in Washington.

During the interview, which was broadcast by the NBC television network last night, William G. Miller, a White House spokesman, said that he and his colleagues were being "treated by their captors."

Before and after the interview, a spokesman told "students" holding embassy crises in front of a speech appealing to the American people to put pressure on Washington to return the hostages to Iran to a truce.

The use of ex comments apparently part of a worked-out between Mr Miller and students for access to the hostages. Although the students were put to Mr Miller by NBC reporters the interview was filmed by an Iranian television crew in front of a large colour portrait of Ayatollah Khomeini.

The two other big American television networks, ABC and CBS, declined to agree to conditions.

After the interview, Mr John Brademas, the Democratic Whip in the House Representatives, claiming his views reflected the attitude of most of the leaders in Congress, Mr Brademas accused NBC of providing "a forum for propaganda" Iranian authorities. Such move was not in the interest of the hostages, he added.

The description of the conditions of the host offered by the Iranian diff sharply from earlier reports that they lacked exchanges of clothes and toilet facilities. Some administration officials claiming that some of the hostages have been interrogated.

French free Iranian sent back by Britain

Paris, Dec 11.—A young Iranian, deported from Britain during the night, was released after questioning today by French police investigating the assassination of the late Shah of Iran, Mr Shahin, a nephew of the late Shah of Iran, Iranian had been refused to Britain because immigration officers were not convinced was a genuine visitor.

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OVERSEAS Colonel Gaddafi suspends aid to PLO and says he wants to improve relations with US

Benghazi, Dec. 11.—Colonel Gaddafi, the Libyan leader, today accused Mr. Yasser Arafat, head of the Palestine Liberation Organization, of plotting with officials of Al Fatah against the Palestinian revolution.

Colonel Gaddafi said in an interview that statements by Mr. Arafat, "containing personal insults about me show there is a conspiracy against the Palestinian revolution."

He added, "There is no difference between Begin (the Israeli Prime Minister) and a Palestinian who is trying to humiliate the Palestinian people's will."

The Libyan leader said he was under no illusion that the charges preferred to him by Mr. Arafat were to sell out the Palestinian people, he said.

There was suspending all contributions to the PLO and turning the money over to representatives of the 60,000 Palestinians who work in Libya.

Colonel Gaddafi said he had decided on Sunday to expel the aid of Mr. Arafat's bureau in Tripoli because of complaints received from Palestinians about the official's conduct.

"He made Palestinians pay in sums of money, he maltreated and even tortured cer-

tain of his companions," he said.—Agence France-Press.

Assurances from United States? The Libyan leader in another interview, set aside earlier threats against the United States and said Libya wanted to improve its relations with the United States.

"We wish to intensify our dialogue with the United States," he said.

Libya had received assurances from Washington that allowed him to forget the past and threats to impose an oil embargo against the United States or to consider a reduction in Libyan oil production of two million barrels a day, of which Libya exports 1.5 million barrels.

According to Colonel Gaddafi, the assurances were that if President Carter is reelected there would be a shift in United States policy towards the Middle East towards a more neutral position. These assurances, he said, came from the President through unofficial but reliable channels.

The assurances had been interpreted, "as meaning a more neutral American posture in the conflict between the Arabs and Israel. We also believe they might mean a more sympathetic attitude towards the Palestinian people, who have been dealt with very unfairly by the Americans."

Colonel Gaddafi said unofficial messages had passed between Tripoli and Washington on the question of the United States Embassy, which Libyan demonstrators ransacked and burned on December 1. He said his Government would see to it that nothing similar happened again.

He had told the President that Libya could and would protect the embassies in Libya. The United States reduced its embassy staff to a minimum after the attack.

Colonel Gaddafi also condemned Israel for the seizure of the United States Embassy in Tel Aviv and holding hostages. Although he made some explanations on behalf of the Israelis, he said their action was not at all justified and was hurting the region's reputation.

He implied that the Libyans, who have close relations with Iran, had tried to mediate the release of the hostages and were continuing to do so.

"I am quite frankly totally opposed to the holding of hostages, not only in Israel but anywhere in the world," Colonel Gaddafi said. Libya has been accused by the United States of harboring international terrorists, a charge he denies vehemently.—New York Times Service.

Reshaping of Israeli forces is resented

From Christopher Walker, Jerusalem, Dec. 11.

Serious disagreements are reported among senior Army officers over a decision by Mr. Ezer Weizmann, the Minister of Defence, to press ahead with a controversial plan to reshape the Israeli defence forces.

The full extent of the discontent is difficult to judge but yesterday the *Washington Star* broke Israeli military censorship by reporting that one senior general had resigned. The newspaper claimed that a number of others, including General Dan Shapira, the commander of the Entebbe raid, were also ready to leave in protest.

Under the plan, the armoured corps, artillery, paratroops and infantry and engineers would be combined into a single ground forces command.

Diplomats see the scheme as an attempt to restructure the defence forces along lines more suited to the possibility of lasting peace with Egypt. It has also been interpreted as a blow to the prestige of General Rafael Eytan, the Chief of Staff.

A noted "hawk" who has recently been much criticized for reducing the sentences of Israeli officers involved in outrages during the invasion of Lebanon.

The plan was devised by the politically moderate Major-General Israel Tal, who yesterday returned from six years in the Army reserves to take over as chief of the ground forces command. His promotion was seen by many commentators as a sign that despite his age—he is 56—he was being groomed as the next chief of staff.

General Tal is the designer of the Merkava, Israel's only home-produced battle tank and is generally held to believe that the country's strength depends on its technological territory.

Today Mr. Weizmann told Knesset's defence and foreign affairs committee that the *Washington Star* report was malicious gossip. He is reported to have said: "It is true that General Tal led to disagreements, but the Israeli defence force is not a factory and when a decision is made, it is carried out."

Antony talks: Renewed American diplomatic efforts to achieve a breakthrough in the deadlocked talks on Palestinian autonomy in the occupied territories when Mr. Sol Linowitz, President Carter's new Middle East envoy, flies back to Cairo.

He will be accompanied by Dr. Joseph Burg, the leader of the Israeli negotiating team. They will confer with Mr. Mansour Khalil, the Egyptian Prime Minister.

Western sources were still doubtful tonight that sufficient progress could be made on the many outstanding issues of substance to meet the May deadline in the Camp David agreements.



Mrs. Rosalynn Carter shows off the 18-ft high Christmas tree in the White House yesterday.

Accused S Korean dismisses lawyers

Seoul, Dec. 11.—The man who has admitted assassinating President Park Chung-hee dismissed his 21 lawyers today, saying that their defence would diminish the importance of his "national revolution to restore democracy" in South Korea.

At the start of the afternoon court martial session, Kim Dae Kyu, the former head of South Korea's Central Intelligence Agency, suddenly stood up and told the court that he had decided that defence lawyers could not help him leave behind the true historical account of why he murdered President Park. He said he would defend himself.

The legal adviser on the five-member panel told Mr. Kim that continuation of the proceedings would be impossible because the law required all defendants to be legally represented. Colonel Kwang Jong Tae, the Judge Advocate, suggested he accept a court-appointed lawyer and Mr. Kim agreed.

The 21 lawyers representing Mr. Kim included civil rights lawyers who previously had represented leading dissidents. In dismissing the lawyers,

who were retained by his family, Mr. Kim said he did not mean to imply that they were "insincere or incapable."

He said he had decided that their efforts would distort the importance of the "national revolution to restore democracy" which he had carried out "with confidence and conviction."

Mr. Kim testified on Saturday that he assassinated President Park to end his one-man rule and restore democracy.

The prosecution today wound up its questioning of the eight defendants. The defence case is expected to start tomorrow and verdicts could be handed down by the weekend.

Mr. Kim, along with Kim Kae Woon, the former President's secretary, and five former KCIA agents are charged with murder with intent to rebel and attempted rebellion in the assassination of President Park and five of his bodyguards. Another KCIA agent is charged with destroying evidence.

During today's session, all six KCIA agents were questioned. AP.

Defiant cleric to face court over banning

From Eric Marsden, Johannesburg, Dec. 11.

Friction between the Anglican church of South Africa and the state increased today when the Government reacted to actions and speeches at the Anglican provincial synod at Grahamstown in the Cape.

The Rev David Russell, who had attended the synod in defiance of a banning order restricting him to his home area of Wynberg, was yesterday summoned to appear in court to face two counts relating to breach of a banning order.

An official commentary on South African radio today sharply criticized a resolution passed by the synod giving qualified support to the World Council of Churches programme to combat racialism.

The commentary alleged that the church had given its sanction to people who took up arms against the state.

This was a reference to the resolution on the council's programme which sought to accommodate a wide range of opinions among delegates. It asserted that since there was more than one form of Christian obedience, the church could not commit itself to identify with any liberation movement, political party or government.

On the use of force, it said: "Some Christians feel themselves called to be pacifists, others to defend the Republic

of South Africa in the armed forces, and others to leave its borders to take up arms to achieve what they believe will be a more just ordering of society."

The summons against Mr. Russell is expected to cause widespread protests. He was placed under five-year banning order in October 1977, at the time of the previous government's action against Black Consciousness organizations after the death in detention of Mr. Steve Biko.

Mrs. Helen Suzman, of the opposition Progressive Federal Party, described the summons as an unwelcome move. Mr. Russell is already awaiting court judgment on a previous charge of breaking his banning order.

Anglicans in South Africa have already been ordered over the synod decision to defy the laws which require applications to be made for permits to hold non-racial church meetings and other non-racial activities.

The Archbishop of Cape Town, the Most Rev. Bill Burnett, told the synod at the weekend that he is prepared to defy the law even if this leads to "the end of the institutional church."

The archbishop is being urged to seek a meeting with Government ministers to avert confrontation with the state, in view of the new climate of racial reform since Mr. P. W. Botha became Prime Minister.

Nobel money may get tax exemption

Delhi, Dec. 11.—The Indian Government is considering a proposal to exempt from tax the money given to Mother Teresa for winning the 1979 Nobel Peace Prize, a Finance Minister spokesman said today.

The Albanian-born nun, who lives in Calcutta, received the award and 800,000 Swedish kronor (about £88,000) at Oslo University yesterday for her work among the world's poor.

Under Indian law, prize money is exempt from tax only when the award has been made by the Government of India. Other cases are considered on merit, the spokesman said.

The spokesman said the Law Ministry had sought clarifications. But press reports here that it had raised objections on the grounds that Mother Teresa was not a full-fledged citizen were not correct, he said.

Some reports said that Mother Teresa would have to pay nearly 80 per cent of the money in income tax if no exemption was granted.

—Reuters.

Soviet army mission in Angola

From Ray Kennedy, Johannesburg, Dec. 11.

A 35-member Soviet military mission has arrived in Luanda, the capital of Angola, according to a Luanda radio broadcast monitored here.

The mission, which is more than 20,000 Cuban soldiers in Angola, the arrival of the Soviet mission at this particular juncture in southern African developments has a menacing connotation, according to observers here.

They hope the cover here, the mission arrived at the weekend and had already visited Ruamba, formerly Nova Lisboa, and the Huila districts to assess the needs of the Angolan Army in the face of "constant enemy attacks."

Although the enemy was not named, forces of Mr. Jonas Savimbi's anti-Government movement Unita are active in southern and central Angola. They have the cover here, the mission arrived at the weekend and had already visited Ruamba, formerly Nova Lisboa, and the Huila districts to assess the needs of the Angolan Army in the face of "constant enemy attacks."

—Reuters.

Canadian Constitution may be altered over Quebec

From Ian Murray, Paris, Dec. 11.

The new Canadian Government was tackling the problem presented by the Quebec separatist movement on a basis of cooperation rather than confrontation.

Mrs. Flora MacDonald, Minister for External Affairs, said in Paris today.

Addressing a meeting of the French Diplomatic Press Association—the first woman to do so—Mrs. MacDonald hinted that there could be changes in the Canadian constitution to enable the Quebecois to preserve their heritage and sense of identity.

But Mrs. MacDonald, who delivered the part of her speech dealing with Quebec in French, made it clear that the Government did not envisage an independent Quebec. "It is our intent... to satisfy, within the fabric of the Canadian Federation,

the need they feel to maintain and foster their own identity."

In those areas where the Quebecois had specific needs, our Government will not confront them. The Government in Quebec city with a standard or a point of view that would needlessly restrict their own progress to the fulfillment of their objectives. Our constitution is broad and flexible. If necessary it is changeable."

Mrs. MacDonald said that the Government's policy was to transfer contentious issues, such as offshore responsibilities and the control of lotteries, to reduce the tensions that exist at the moment, and to work as well as we can with the Government for the people of Quebec.

In this way, she said, the Government was preparing the way for the referendum on Quebec autonomy in June.

Uproar over Belgrade art show

From Dassa Trevisan, Belgrade, Dec. 11.

A political uproar has blown up over an exhibition in Belgrade of paintings by Miroslav Popovic, a Yugoslav painter. He has been accused of "political provocation" in his paintings, which depict scenes of contemporary life painted in predominantly dark and grey colours.

The exhibition remains open at the attacks began only the week after it was opened. The risk has been incorporated in his last pictures newspaper headlines about President Tito's social activities making the uproar obvious.

Five years ago an exhibition of Mr. Popovic's paintings was banned after hours before it was due to open. He was then accused of "symbolizing the Serbian bourgeoisie" and "striving to go in search of work abroad. One painting shows him sleeping in a railway waiting room covered with the copy of a newspaper carrying a headline about Marshal Tito's visit to a flower show."

Another entitled "Grozden piting" shows him with a newspaper carrying a story about President Tito receiving the President of Afghanistan.

There are no portraits of personalities in disavowal with the regime. Nevertheless, the fact that the exhibition has not been closed suggests a change in the authorities' attitude.

Worst of world hunger 'can be eliminated in 20 years'

From David Cross, Washington, Dec. 11.

The elimination of world hunger should be the primary focus of America's relations with developing countries during the next two decades, a presidential commission has concluded after a 15-month investigation of the problem.

In a preliminary report just published in Washington, the Presidential Commission on World Hunger says that "widespread hunger is a cruel fact of our times. Its principal cause is 'not the occasional dramatic disaster that captures world attention, but the enduring condition of subhuman poverty that afflicts as many as one in five members of the human family.'"

Mr. Sol Linowitz, the chairman of the commission, adds in a covering letter.

The report and the letter were handed over to President Carter by a White House aide this week. The President said the occasion was an opportunity for the United States to embark upon an "exciting and crucial" effort to help alleviate the problem of world hunger.

In his letter, Mr. Linowitz says that after careful consideration of the evidence, the commission believes that the worst aspects of world hunger "can be eliminated by the end of the century."

"To be sure, such an achievement will require a major effort on the part of the developing nations themselves, a high degree of international cooperation, and the active participation of the United States. But we are convinced that the goal can be met if the struggle against hunger receives the priority it deserves."

Events at home and abroad clearly highlight the need for attention to the basic human needs of our citizens and people throughout the world. At this very moment, we are witnessing crises that threaten the security of the world. In the same way, a hungry world is an unstable world and the need for appropriate policies to deal with that threat is obvious," he said.

Mr. Linowitz emphasizes, however, that the commission is not advocating that the United States should feed the rest of the world. Such a mission would be doomed to failure.

The strategy against hunger, he says, is to achieve a breakthrough in the struggle for self-help economic development.

The report suggests a number of practical steps the United States should take to improve its development aid policies. They include a recommendation for the coordination of American development assistance programmes under the control of the director of the United States International Development Cooperation Agency.

In addition, the commission suggests that the United States should move "as rapidly as possible" towards increasing its level of economic assistance for developing countries to the goal of 0.7 per cent of the gross national product recommended by the United Nations. The United States currently ranks twelfth behind other industrialized nations in providing development aid.

Finally, the United States Senate should quickly ratify international agreements designed to outlaw the use of starvation as an instrument of war, the commission believes.

Australians to attack drug syndicates

From Douglas Aiton, Melbourne, Dec. 11.

The newly-formed Australian Federal Police, under Sir Colin Fookes, the former British chief Inspector of Constabulary, is to increase its attack on drug racketeering in Australia.

It is thought that the force will soon begin harassing people it believes to be criminal syndicate leaders. Although primarily using new powers against drug trafficking, the force will also employ other powers, including currency and banking regulations, in an attempt to convict racketeers.

The Government is increasingly concerned about the growth of the illicit drug market in Australia. Sir Colin has said that the problem has become a deeply rooted tree with branches reaching into the law and the criminal underworld and cast their sinister shadows further across the country.

The figures given by Sir Colin deserve consideration:

one kilogram of heroin can be bought in South-East Asia for \$43,000 (about £4,300) and can be sold in Australia for at least 10 times as much.

The heroin market is no longer the preserve of small, backstreet operators. It is big business, worth between \$400 million and \$1,000 million a year.

"The gloves are off," Sir Colin said in an interview about his plans.

Australia's performance against drug traffickers is far less than that of the United States. Only between 2.5 and 5 per cent of all drugs coming into the country are seized, which means that between 600 and 1,200 kilograms of heroin may have been smuggled into Australia this year.

Heads of federal and state police forces are meeting in Melbourne as the result of Sir Colin's plans, but the new federal programme is understood to go beyond drug trafficking to involve most major organized crime.

It is believed that there are

now criminal "businesses" operating in Australia, all with some involvement in drugs but also in gas and electricity, money-laundering and, occasionally, murder.

Sir Colin said he was shocked at the extent of trafficking and drug-related crime in Australia. He said he was determined to "bring Mr. Big" in Australia to maintain an uninterrupted flow of narcotics into the country, even after one leader had been removed.

Some of the methods to be used, he added, will include electronic listening devices to gather evidence on traffickers, and more cooperation between his own force and state police forces.

Sir Colin said he thought it wrong not to make heroin the main priority in the fight against the drug trade. He added he and his staff thought there were more important targets than marijuana, although many police considered that marijuana led to the use of harder drugs.

Indian Premier's party calling for skyscraper ban

Delhi, Dec. 11.—The People's Party (Lok Dal) of Mr. Charan Singh, the caretaker Prime Minister, announced today that if it was returned to power in next month's election it would ban luxury cars and the construction of skyscrapers, breweries and casinos.

In an election manifesto advocating austerity, the party said it would prohibit the use of small cottages, industries rather than on development that required large investments but provided relatively few jobs. It promised to break what it called the monopolistic stranglehold of the big companies over the Indian economy.

The manifesto also proposed the closure of any public enterprise showing continuous losses, unless it was vital to the economy.

A programme of austerity was necessary, the party said, to prevent the poor getting poorer. Glaring inequalities of wealth and income were the main ills facing the country.

Election officers today accepted the parliamentary candi-

dacy of Mr. Sanjay Gandhi, the younger son of Mrs. Indira Gandhi, a former Prime Minister, overruling objections.

The official has sought to have Mr. Gandhi barred from standing for election in the constituency of Amethi, Uttar Pradesh, on the ground that he had been sentenced to jail for having a film criticizing his mother.

The election officers ruled that Mr. Gandhi's nomination was valid because an appeal against his sentence was pending at the Supreme Court.

The officers made a similar ruling on objections to the candidacy of Mr. V. C. Shukla, a former Minister of Information.

A number of jokers including one "Jimmy Carter" and one "Ayatollah Khomeini" appear to be running for the election, the Press Trust of India reported today.

The list of 5,200 nominees published here today also included a bugle-bearing "Lone Horseman", who is opposing Mr. Gandhi at Rae Bareilly, Uttar Pradesh.

Whenever he sees a crowd, he rides up, blows his bugle and declares that all political parties and their leaders are corrupt.—Reuters and Agence France-Press.

Ex-manager back in Hongkong under escort

Hongkong, Dec. 11.—Walter Boxall, former Hongkong telephone company property manager, returned from Britain under escort today after being extradited to face charges of corruption.

Mr. Boxall, on whom an extradition order was signed last week by Mr. William Whitelaw, the Home Secretary, is expected to appear in court tomorrow to answer 20 counts alleging bribery and conspiracy to defraud.

He left for London suddenly last year with his wife while Hongkong's Independent Commission against Corruption was investigating his activities.—Reuters.

Los Angeles busing causes 'white flight'

From Ivor Davis, Los Angeles, Dec. 11.

The results of a new study into the effects of the Los Angeles school desegregation programme comes as no surprise to critics of the busing plan which is now in its second year. It confirms that mandatory busing is the key reason for "white flight" by many families.

Mr. J. Michael Ross, a Boston University sociologist, presented his findings last Wednesday in the form of testimony in the Los Angeles Superior Court desegregation hearings before Judge Paul Egly, who is overseeing the plan, the largest ever undertaken in the United States.

In September, 1978, the programme began with some 40,000 young students bused across nine and 13 being bused across town. Mr. Ross measured the behaviour of about 400 white families against their attitudes a year before.

He found that 38.4 per cent of white students due to be bused to predominantly black or Mexican-American schools did not show up. The absentee rate of white students exempted from busing was only 14.7 per cent.

Most of the "white flight" in Los Angeles, he said, consisted of transfer to private and church schools rather than families moving out of the district. Those who did leave the area tended to be higher income families.

Other findings in the study, which was ordered by the Los Angeles Board of Education, included: People who believed school desegregation reduced racial prejudice were more likely to stay in the district; families with older children (12 or over) and with no elementary school-aged youngsters were more likely to stay.

Recently the Los Angeles Board of Education asked Judge Egly to eliminate mandatory busing, pointing out that it had led to such extensive "white flight" that desegregation was no longer possible.

Further hearings are expected with additional testimony being presented, before Judge Egly gives any decisions.

New guide soon is Chinese 'drop red book'

Peking, Dec. 11.—China will soon publish a new guide for Communist Party members to replace Chairman Mao's 1967 *Little Red Book*.

The *People's Daily* said today that the book, called *Fundamentals of the party*, sums up the party's experience.

The first six chapters deal with the party's ideology, organizational principles, party discipline and discipline. The next three explain the party's policy, work, the mass line, criticism and self-criticism. The last chapter is about the rights and duties of party members and their exemplary role in the country's modernization drive.

Until Chairman Mao's little red book became the bible of 800 million Chinese during the Cultural Revolution, the standard reference for Chinese Communists was a book called *How to be a good Communist*, by Liu Shao-chi, former President of the Republic.

The book was heavily discredited by millions of Red Guards but was restored to favour in August.—Agence France-Press.

Ailing Thai economy keeps general in power

From M. C. Pillai, Kuala Lumpur, Dec. 11.

The Thai Government, under General Kriangsak Chommand, is under pressure from the armed forces, the National Assembly, and students and trades union leaders amid growing tension along the Thai-Kampuchean border and the poor performance of the economy. But many observers here believe that it is too early to write General Kriangsak off.

He is helped by the reluctance of the armed forces leadership and the seasoned politicians in the National Assembly to take over, knowing that they would have to face the chaotic task of sorting out what a former finance minister, Mr. Banchuan Rattakul, recently described as the "economic mess" facing the country.

The present crisis arose not, as one would have reasonably expected, from the tension along the border, but from the Government's decision to double the electricity and water rates from the beginning of November. The Government had subsidized these rates for years.

There was uproar and the

risers were resented when student and labour leaders threatened to demonstrate in the streets. The minister concerned, Mr. Kasame Charitakul, resigned in protest. Since then eight other ministers have stepped down, ostensibly to enable General Kriangsak to reorganize his Cabinet.

But businesses, the most affected by the proposed rate increases, promptly raised their prices but did not bring them down when the rates were cancelled. The public reaction was a setback for General Kriangsak, who had been careful to maintain support from all factions.

He has also collected powerful enemies, particularly Mr. Tanin Kiatichavan, the former Chief Justice who became Prime Minister after the overthrow of Field-Marshal Thanom Kittikachorn in 1976 and is now a respected and powerful member of the King's Privy Council.

General Kriangsak overthrew Mr. Tanin's administration in October, 1977.

General Kriangsak, who was armed forces commander at that time, had quietly made his peace with the student and lab-

our leaders and other groups opposed to Mr. Tanin before he moved. Once he was Prime Minister, he mended Thailand's fences with the outside world and moved tentatively to bring his country back to some form of democratic government.

It is an irony of Thai politics that in so doing he all but forfeited the support of his erstwhile colleagues in the armed forces, who swung their support to General Prem Tinsulanonda, the present Defence Minister.

Observers here say this was partly because of General Kriangsak's preoccupation with maintaining civilian support.

Because of his general popularity, he was beholden to no security groups except the armed forces and his first Cabinet is generally accepted as one of exceptionally brilliant men. But after the Constituent Assembly, which was elected shortly after he took over, wrote a new constitution and called fresh elections, he found himself outmanoeuvred by the presence of political heavyweights in the newly elected National Assembly last April.

He is regularly criticized for the virtual inertia which has re-

sulted from the Cabinet infighting coupled with some rather frequent and trenchant criticism from the National Assembly.

No confidence motions were proposed against 10 of his ministers, eight of whom resigned early this week.

At the same time, the armed forces have been restless at what they perceive as his "weakness" in wanting to maintain links with Vietnam even as Hanoi was strengthening its forces along the Thai-Kampuchean border.

The politicians' statements within and without the National Assembly indicate they are ready to remove General Kriangsak. But the truth is otherwise. They say their reluctance stems from the sorry state of the country.

"The economy is in such shape that if a civilian Prime Minister took over now, he would be overthrown in no time at all," one commander for the leadership said. "Besides, our interests for the moment are best served by a man like General Kriangsak, who, after all, technically is Prime Minister because we voted him in." That in the end could well be General Kriangsak's lifeline.

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SPORT

Cricket

Boycott opens up his locker at last

From John Woodcock
Cricket Correspondent
Sydney, Dec 11

Australia were as comprehensively beaten by England in the world series one-day competition here today as they were by West Indies in Melbourne on Sunday. In 49 overs, which was as many as Australia bowled in their three hours and a half in the field, England made 264 for seven; Australia, rather flattered by their final reply of 132, lost by 72 runs. The man of the match was Boycott, who scored 105 like a man inspired.

It was a rousing performance by England. They looked as keen and eager as Australia, in their desire to win the series, for the most part, and the difference between the fielding of the two sides there was no comparison. England's fielding, in fact, was superb. As for Boycott, it is possible, I think, to put his purple patch down to the pitch, which he has decided to go through (and so much better than last year) to allow him to change the percentages of his game. He played shots today that he has kept in his locker for years.

There is a difference in temperament, too. England responded splendidly to Brearley; when, on the other hand, Australia are under pressure, Chappell withdraws beneath his sun hat. There is a long way to go yet, and a lot of cricket to play, and a lot can go wrong, but this evening at least all went wonderfully well.

Boycott's batting was a revelation. The innings of his which is usually cited as having shown what he is capable of is his hundred in the Gillette Cup final of 1965. Today he played like that, hitting escapes by bulldozing from being run out off the first ball of the match, when answering a call by Randall, he played, if anything, even better than in Melbourne last Saturday, when he was in the side only because of an injury to Miller.

Here are some of Boycott's strokes this afternoon: from down the pitch he lofted Walker for four over deep mid-on; on the occasion he took a long time to crash him through the covers for four; and again he was well down the pitch when he drove Walker for four over extra cover. When, at one stage, Tony Greig went to sit with Kerry Packard, Greig was greeted with a disbelieving shake of the head. Boycott should have been caught in the covers by Darling off Walker when he was out. That was his only mistake until Lillee bowled him as he made to run him down to third man. So much



Boycott batting in Sydney yesterday: a man inspired.

was it Boycott's day that after the first of the drink intervals he went to the end where the strike was, which should have been a cover drive for four or five, and it was an accident, of course, and it was too late by the time it was noticed. By then Chappell seemed to be capitulating Australia from one end and Marsh from the other. "No wonder Lillee has been avoiding Boycott all these years," said someone with a nice ironic touch. When Boycott reached his hundred in the forty-fifth over of England's innings, with a cover drive for four off Lillee, his joy, sad ours, was unconfined.

Willey, too, played a fine innings, reaching 50 in only 45 balls, with a succession of magnificent strokes. Of a second wicket partnership of 118 Willey's share was

54. When he was caught at long-on in the fourth over England were 136 for two. Boycott departed at 235, in the forty-seventh over. By then Greig had come and gone, lost in the rush. Of the later batsmen the irrepressible Brearley was the most successful, driving Lillee for one enormous six into the Noble stand.

For the second successive one-day match Chappell felt unable to give Thomson his full 10 over, though his first three were faster than of late. The best of the Australian bowlers, by a long way, was Walker. Lillee's four top 50 was a false analysis of his wickets coming when the bat was being thrown. A brilliant running, tumbling catch by Greig, taking as a substitute for Chappell at deep midwicket, off the last ball of the England innings, was small com-

solation for Australia. In taking it Hookes pulled a muscle badly enough to have to be taken out of Friday's Test match in Perth. In place there has gone, to Peter Tooley, of New South Wales.

After Wiener and Darling had scored 23 together, Australia's first wicket in 21 overs, Australia must have been in a bit of a place there. Hookes pulled a muscle badly enough to have to be taken out of Friday's Test match in Perth. In place there has gone, to Peter Tooley, of New South Wales.

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Rowe provides highlights

Yes, Victoria, Dec 11.—The West Indians were their own match with a Victorian Country XI here today. They declared their innings at 329 for three and the Victorian team replied with 133 for eight.

With the captain, Clive Lloyd, receiving treatment for a knee injury in Melbourne, Alastair Charles led the West Indians. He won the toss and decided to bat. Greenidge and Haynes setting the foundation for an impressive score.

Greenidge's 77 took 53 minutes and he was eventually caught by Pendleton off the medium pace bowler Sonny Ramadhin. His innings of 74 in the same manner, giving Pendleton and Sonnan a double.

The West Indian openers reached 100 in 64 minutes, after the dismissal of Haynes, the solid left-hander, Gomes, put in a creditable performance, ending on 39. But it was a magnificent innings by Rowe, which highlighted the score of 97, which highlighted the score.

Eventually Rowe was caught by Symons off the bowling of Coles, after hitting 14 fours and two sixes.

The Victorian XI had little hope of catching the West Indians, who seemed so at ease amid the relaxed atmosphere. Wickets fell quickly, with Perry taking four for 21.

WEST INDIANS' innings: 329 for three, 133 for eight. D. Gomes 39, W. Rowe 97, D. Haynes 74, A. Charles 74, S. Ramadhin 74, P. Pendleton 74, S. Sonnan 74, C. Lloyd 74.

VICTORIAN COUNTRY XI: 133 for eight. D. Gomes 39, W. Rowe 97, D. Haynes 74, A. Charles 74, S. Ramadhin 74, P. Pendleton 74, S. Sonnan 74, C. Lloyd 74.

Pakistanis score rapidly

Poonah, Dec 11.—The Pakistanis, although weakened by illness and injuries, made an impressive start today against India's West Zone, declaring at 210 for five, after 81 overs on the first day of their three-day match. The Zone replied with 31 for no wicket by the close.

Zabier Abbas delighted the crowd with some fine strokes, getting 50 off 73 balls, and went on to score an unbeaten 84. While Zahir chased the runs, Taslim Aidi played a defensive role before being caught off by Javed Iqbal. He was dismissed, making 67, with 11 fours.

The Pakistanis were without their captain Asif Iqbal, who said he needed a rest before the third Test match against India, starting in Bombay on Sunday. The first two Test matches were played in Poonah, and the third will be played in Bombay.

Three former Pakistan Test cricketers, Mahmood Hussain, Shaukat Khan and Asif Iqbal, were in the crowd, later demanding that the board ask Sarfaraz to reinforce the party.

Pakistanis: 210 for five, 31 for no wicket. India: 31 for no wicket.

Agreement deferred on sponsorship of Gillette Cup

By Richard Streeton

English cricketers' new-found awareness of its commercial possibilities was a major factor in yesterday's meeting of the Test and County Cricket Board when sponsorship, surplusage, and gate receipts were the topics of discussion. One unexpected item to emerge was that the TCBS and Gillette have been unable to agree terms for a three-year sponsorship of the game's most popular one-day competition.

What was described as a substantial increase in the offer for the 1980 Gillette Cup. Agreement on a three-year contract put forward by the firm, however, has been deferred because it failed to

match the board's assessment of the competition's worth. The board's assessment of the competition's worth is based on the value of the competition as a basis for the new contract. The board's assessment of the competition's worth is based on the value of the competition as a basis for the new contract.

Gillette, in 1963, was the first of modern cricket's sponsors and there has always been a suspicion that this has played a part in their success. The board's assessment of the competition's worth is based on the value of the competition as a basis for the new contract.

Further talks during the next few months will make it clear. The board's assessment of the competition's worth is based on the value of the competition as a basis for the new contract.

Proud's two-part career brings deserved contest

Although David Proud was well beaten by Jimmy Britton who, in turn, was well beaten by Pat Thomas for the British light middleweight championship, no one in boxing begrudged him his title attempt against the Welshman, Thomas, at Blenheim Leisure Centre, last night.

Proud, an accomplished commercial artist in his non-boxing hours, has a fine record stretching over two years. He has won a four-year retirement because of a susceptible hand. It could have been even better but for the fact that he also has a susceptible face. Some fighters cut and bruise more than others and Proud, to his cost, suffers more than most.

His record, before last night, was marked only by one draw in three fights, and five defeats in good company in 11 fights, since he came back to the ring.

Thomas, holder of a British title for the second time, having

Young Frazier maintains family tradition

Yokohama, Dec 11.—Mavis Frazier, son of the former world heavyweight champion Joe Frazier, knocked out Daniel Grogan of Canada in a heavy-weight bout at the world amateur boxing championships here today.

Frazier (19) of Philadelphia, put the Canadian down with a short right to the face early in the second round. He had a close battle record to 41 contests. He had floored Grogan with a right hook in the first round.

He was one of three American first round winners. The other two were Mike McCrory, who beat Parviz Vardanian of the Soviet Union by points, and a welterweight, Milton McCrory, stopped Edward Miles of Scotland midway through the second round.

England scored two wins. Welterweight Dudley McKenzie outpointed Tibor Molnar (Hungary) and Nick Wilshire stopped Japete Shing (Seychelles) in the first round of a middleweight bout.

A South Korean welterweight, Young Young-Tae, was disqualified after being warned three times for hitting with open gloves and pushing his Japanese opponent, Ikki Oki.

First round: A. Wilshire (Seychelles) beat D. Molnar (Hungary) by points; M. McCrory (Scotland) beat E. Miles (Scotland) by points; D. McKenzie (England) beat T. Molnar (Hungary) by points; N. Wilshire (England) beat J. Shing (Seychelles) by points.

Second round: Y. Young-Tae (South Korea) was disqualified; I. Oki (Japan) beat P. Vardanian (Soviet Union) by points; M. McCrory (Scotland) beat E. Miles (Scotland) by points.

Gilbody seeks revenge

Nairobi, Dec 11.—George Gilbody, the English lightweight, will have the chance to avenge a defeat he suffered in the Commonwealth Games in Edmonton last year when he met Patrick Waweru of Kenya, in an amateur international here tomorrow. Waweru outpointed Gilbody on his way to winning a silver medal.

Kenya, the leading amateur boxing nation in Africa, also have the Commonwealth flyweight champion, Michael Irungi, in their team. Irungi, the brother of Steve Muboko, a professional, will meet Ray Gilbody.

Also boxing for Kenya will be light welterweight Ali Adhoni, who was beaten by Peter Wanyoika at the Commonwealth Games in Edmonton last year. Wanyoika is an amateur champion, England's team includes Vince Smith (light-heavyweight), a Commonwealth silver medal winner. The 11-hour international is being held as part of Kenya's 16th independence anniversary celebrations.—Keefer.

For the record

ADLAI: South Australian open championship. Men's singles: first round: A. Waweru (Kenya) beat M. Gilbody (England) by points; M. Gilbody (England) beat P. Wanyoika (Kenya) by points; P. Wanyoika (Kenya) beat V. Smith (England) by points; V. Smith (England) beat A. Adhoni (Kenya) by points; A. Adhoni (Kenya) beat M. Irungi (Kenya) by points; M. Irungi (Kenya) beat R. Gilbody (England) by points; R. Gilbody (England) beat A. Waweru (Kenya) by points; A. Waweru (Kenya) beat M. Gilbody (England) by points; M. Gilbody (England) beat P. Wanyoika (Kenya) by points; P. Wanyoika (Kenya) beat V. Smith (England) by points; V. Smith (England) beat A. Adhoni (Kenya) by points; A. Adhoni (Kenya) beat M. Irungi (Kenya) by points; M. Irungi (Kenya) beat R. Gilbody (England) by points; R. Gilbody (England) beat A. Waweru (Kenya) by points; A. Waweru (Kenya) beat M. Gilbody (England) by points; M. Gilbody (England) beat P. Wanyoika (Kenya) by points; P. Wanyoika (Kenya) beat V. 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THE ARTS



Christopher Hampton

The art of finding English for Ibsen

Exactly ten years ago Christopher Hampton was appointed Resident Dramatist at the Royal Court in Sloane Square. Any moment someone is likely to dub him Resident Translator at the National Theatre. He has turned two Horvath plays into English for the National, *Tales from the Vienna Woods* and *Don Juan goes to War*. *Vienna Woods* was successful enough to make Maximilian Schell, who started in the play on the South Bank, look to Hampton first for the screen adaptation when he decided to film it. Tomorrow Sir Peter Hall's "concrete bunker" makes its third excursion into Ibsen—*Borkman* on transfer was the first and *Brand* the other—when *The Wild Duck* opens at the Olivier, translation by Christopher Hampton.

Hampton fell into the translation business almost by accident. Robert Kidd was directing Isaac Babel's play *Margie* at the Royal Court and he called in Christopher Hampton to make the text a little more malleable. "The version Robert had was perfectly readable, but it wasn't speakable. So I started work with one of the two translators. I remember being asked where I lived and replying quickly 'Oxford'; I was careful not to say that I was there as an undergraduate. Peter Gill provided the next step: he was preparing *Hedda Gabler* with Irene Worth in the title part and when the translation he commissioned didn't arrive he turned to me."

For Hedda Christopher Hampton used the conventional method of working from a literal translation and turning to a collaborator for help on the nuances and *double entendres* in the text. On *The Wild Duck*, his fourth Ibsen adaptation, he has worked direct from the Norwegian but still has that word-for-word version and a Norwegian speaker by his side. "The Duck has proved by far the most difficult of the four and I think it will be the last play by Ibsen I will tackle. It's my favourite among his plays, but it's exceedingly difficult to hit the exact tone, that mixture of the realistic and the symbolic. My starting point was to find the exact English equivalent of a number of key words, almost thematic words, that occur throughout the play. They provided the basis for the first version, which I prepared over a six-month period interspersed with other things. The director, Christopher Morahan, then came in and we did a rewrite together. Since then apart from cutting the text and tightening it—*The Wild Duck* is a long play—we've changed very little. That's in total contrast to my collaboration with Max Schell on *Vienna Woods* where we were altering and adjusting right up to the very last minute. Not very popular with some of the actors, that."

In the third line of the play *Petersen*, the servant of Gersgraves Werle, says "Buggedger I know". In the Hampton version, is this a device to make the audience realize they are listening to something new? "No. But that example does throw up one of the problems of translating Ibsen. I'm open

to correction, but my Norwegian colleagues assure me that there are no obscenities in their everyday language; if people want to express themselves forcefully then they do it by a series of carefully graded references to God and the Devil. So we have to find their English equivalent. The most acute difficulty of all is in the final line of the play, spoken by Werle. The wording in the original is still strong enough to make elderly ladies blush at the current of coarseness. Some translators, I'm told, leave it out altogether. We're still wrestling with it."

Not any longer. Naturally, I have memories of the English versions I read when I was at school, and when I was tackling Hedda and Uncle Vanya I used Archer and Garnett respectively. But it's a dangerous practice: you might come across a particularly stunning line and be unable to get it out of your mind; you might find a translation so plausible and excellent that you feel your own efforts will be no good."

So will we see a new play at the Olivier tomorrow? "No. But it's a question of terminology. It's not a translation. I'm not a Norwegian scholar. It's not an adaptation. It's faithful to the original. The most encouraging reaction I could hear would be for someone to say, 'It seems like a new play'."

Anyone looking at Hampton's collected works is likely to note that, as the number of translations has grown, the output of original plays has diminished.

John Higgins

London debuts

The week's youngest contender was a 24-year-old American guitarist, John Holmquist, whose playing no less than his programme testified to his belief in his instrument as a serious music-maker. True, his chosen melody, Daniel Sturms' Three Bagatelles (1979), teetered uncertainly and insignificantly between neo-romantic lyricism and parody of Bach. But in Bach's own second lute suite and Couperin's "Tombeau de M. Blancrocher" there was again much to enjoy in Mr Holmquist's sensitivity and poise, his mellow tone and infinitely musical use of colour.

Newcomers to the south, though not the north, of England as a clarinet and piano duo, John Fuest and Stephanie Bamford could first be welcomed for an engaging bill-offer including the London premieres of Stephen Pratt's atmospheric yet shapely *Winter's Edge* and Koehn's succinct, neo-classical second sonata. Mr Fuest relished escape from his Liverpool orchestral desk, spicing his controlled agility with pungent attack and a wide dynamic range in the new works and also in Weber's Grand Duo Concertant, Debussy's Rhapsodie No 1 and miniatures by Schumann, Reger and Lutoslawski, too.

The Japanese violinist, Hiroshi Okouchi could also boast considerable experience, at home in orchestral and chamber music as well as solo fields. If not a spontaneously bird-like, lyrical character, he had enough first-edged strength of tone and command of bow and fingers to carry him through Bartok's long-demanding first sonata with real aplomb. John Blakely was a courageously emphatic all-conquering keyboard partner, innuendo sometimes emerged too explicit in Debussy's Sonata, and Brahms's No 2 would have benefited from more personal phrasing. But these were also broadly matched, as was a new accompanied sonata by Shigehiro Ikebe, most memorable for its reflective finale.

None of the week's visitors could boast a sturdier technique than the German pianist Robert Knapp. Though rival recital prevented me from hearing his Couperin and Ravel, there was ample evidence of uncommonly even, fluent fingers in a Fantasia and Fugue (a *fantasia tour de force*) by Bach offered as first encore, while wrists and arms came into their own in the course of Mendelssohn's *Variations Serieuses*.

Joan Chissell

ECO/Kraemer
St John's

Few orchestras manage to sound bad in the general acoustics of St John's Smith Square, and some sound really luscious. The English Chamber Orchestra, boldly setting aside current theories about the proper sound for baroque music, offered plenty of nourishment to the hungry ear in Monday night's concert. Their programme was mainly of Bach; and one rarely hears his polyphony so fulsome. But there were times when one could hardly hear it at all. The trouble with such under-articulated playing is that the rich sound becomes richer, and the poor, poorer. Any imbalance in the music is accentuated. And Brandenburg Concerto No 3, when you come to listen to it, an extraordinarily odd balanced piece.

Bach, his mind set on symmetry—and, it is only fair to say, his ear set on timbres quite different from ours—scored it for three violins, three violas and three cellos, with violone (double bass) and harpsichord. He was extravagant with his cellos: only for five bars in the entire work are

the three not in unison, and mostly they have the bass and the harpsichord with them, too, while the violins and violas are often independent.

In a performance like this, the bass line booms forth, supporting the body like a foundation garment of sprung steel. Some unusual things were happening above, too. In particular, the players often supplemented Bach's dynamic indications, thereby supplying a new touch of refinement. The hush at the climactic final ritornello was particularly remarkable.

Brandenburg No 5, though it was not a very polished performance, was more enjoyable. William Bennett phrased sweetly on the flute, and Josef Fröhlich was the attentive violin soloist; Nicholas Kraemer at the harpsichord played with character, and carried off the big cadenza with style, lacking only a hint of rhetoric at the end. Earlier Mr Fröhlich had partnered the eloquent Neil Black in the violin and oboe concerto. We also had, as a change from Corelli, the Christ, Mass Concerto of Manfredini, less characterful music, and things did not go quite smoothly in the pastoral movement, but there were happy echoes of folk Italian *pifferi* and *cantapogne*.

Some of the reviews on this page are reprinted from yesterday's later editions

Abstraction at the Tate

Early in the New Year the Tate Gallery will be presenting *Abstraction: Towards a New Art*. This study of the development of abstraction in its early years, between about 1908 and 1921, will mainly be set around three artists, Kandinsky, Mondrian and Malevich. Other artists whose work will be on show include Robert Delaunay, Francis Kupka, Picasso, Braque and Léger. Futurists from Italy, Vorticists from England and Dadaists from Switzerland will be among the groups represented in the exhibition, which runs from February 6 to April 13.

Starting on April 16, the Tate will be showing work by Marcel Broodthaers, including pieces using eggshells, bottles and boxes as well as painting on canvas and photographs. In May it will be staging an exhibition by the Spanish surrealist Salvador Dalí.

A series of Irish visual arts exhibitions will be presented in London during February and March next year as part of the festival *A Sense of Ireland*. The *Delighted Eye*, showing the native influence on modern Irish art and sculpture, will be at the 52 Earlham Street Gallery, while *The International Connection*, showing the metropolitan influence, will be at the Round House Gallery.

The *Waddington* will be showing drawings and watercolours by Jack B. Yeats, and the *Amely Juda Gallery* will have new work by the abstract painter Patrick Scott.



Welsh National Opera opened their London season at the Dominion last night with Janacek's *Makropoulos Case*. Elisabeth Söderström returned as Emilia Marty, the role she sang in Britain for the first time on the opening night of the production in Cardiff. Here she is seen with Thomas Hemsley and Helen Field.

Musgrave's spirit of Christmas present

It is strange that Dickens's perennial favourite story, *A Christmas Carol*, has not attracted more opera composers, for it is made to order for music. When Thea Musgrave was asked by the Virginia Opera Association (whose conductor and general director is her husband, Peter Mark) for a seasonal work, she produced an opera on the subject. Its world premiere in Norfolk, Virginia, became the occasion almost of a civic celebration, and it is gratifying to report that the opera presented warrants the buzz she received, and may well become a Christmas fixture.

Musgrave's opera is in two acts and 13 scenes, lasting just under two hours of music. She has carefully constructed the story (to her own adaptation of Dickens) so that the action is continuous, and the production can be done with a minimum of 12 singers (all but Scrooge doubling roles) and 15 instruments, with of course optional extras (such as a final children's chorus). The Virginia Opera's production increased the acting complement. Musgrave has made certain changes in Dickens's story. The three Christmas ghosts are mimed, by a single mute dancer. The opera ends, not as

the story on the day after Christmas, but with Scrooge at his nephew Fred's Christmas party, thus ensuring a grand choral upbeat finale: in order to do this, she moves Scrooge's scene with Cratchit (when he raises his salary and implicitly begs his forgiveness) to before the party Scrooge runs. She also, for "operatic" purposes, enlarges certain other scenes, notably the one in which the young Scrooge loses his fiancée, Belle. This long duet closes the first act.

It must be said that, with the exception of the last scene, many of the changes Musgrave makes are unnecessary and weaken. Much of the beauty of Dickens's story lies in its economy of means, for in *A Christmas Carol* he knew how to write the most from the fewest words. Since *A Christmas Carol*'s value lies in the pace of its events and the vividness of its scenes rather than any subtlety of character, any such dilution, even for musical purposes, does not add to what has been given.

Cratchit's outburst against injustice after Tiny Tim's "death" gives us more than we need to know about him, to no advantage, for the poignancy of the moment. Finally

everything worked. The only cavils I had with Farrar's staging were in allowing Scrooge as miser (in the first scene) to be too active—he should be icy cold and aloof—and in allowing the Ghost of Christmas Past to writhe about outside the opera house before the cast like some sort of manic spider man.

The cast was throughout strong, and dominated by Frederick Burchinal's excellent Scrooge, who is onstage practically all evening. The sets and costumes brilliantly recreated the Dickensian world, and Peter Mark conducted with verve.

But perhaps the best feature of the event was the Dickensian mood surrounding it. It is not exaggerating to say that the many supporters of the Virginia Opera love Thea Musgrave—there will be seven performances of the opera, more than for their regular repertoire—so that the festivities around the premiere, including the children's chorus singing carols outside the opera house before the opera and during the intermission, duplicated the joyousness of the Fezziwig party on stage. God bless us, everyone—this was truly the spirit of the occasion.

Patrick J. Smith

THE TIMES

83% of Times readers have bank accounts.
Over 75% of Times readers have current accounts and over 32% have deposit or savings accounts.

ALEC MCCOWEN
"PERFORMANCE OF BRILLIANCE"
Tishoo THEATRE

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Mr Callaghan voices serious reservations

about auxiliary workers who are apparently overpaid and underworked and not pulling their weight in the health service.

If those reports are true, it is grossly unfair on the part of the majority of workers in the service—medical and others, who are doing a good job.

Mr Jenkins—I regard the reports as disturbing. I do not think there is any great surprise in this. It is a primary need, and perhaps the

I agree with the words spoken to me a few months ago by a wise hospital head porter who said "The trouble with the health service is that there is not basic administration and not enough management."

Mr. David Simkins (North-West, North Lab.)—There is something rather cheeky about producing a paper called *Patient's First* by a Government which is putting up prescription charges to 70p and squeezing the health service. (Loud laughter.)

even at 70¢ which will drop from next April the charge is a bigger proportion of the cost of a prescription than was 20¢ when it was first introduced in 1971. We are doing no more than keep the prescription charge level with the rising cost of prescriptions.

Mr. Stanley Thorne (Preston South, Lab)—Will he ensure that in these local units the rate

Mr. Jenkin—No. We are putting forward as a proposal that we should not follow up the suggestion made by Mrs. Barbara Cast

Waiting lists lengthened during last winter

the prescription charge level of the rising cost of prescriptions.

Mr. Stanley Thorne (Presto South, Lab)—Will he ensure that in these local units the craft unions are organized and the technicians and nurses are represented?

Mr. Jenkins—No. We are putting forward as a proposal that we should not follow up the suggestion made by Mrs Barbara Cast

that there should be an honest representation of staff interests, health and motives.

It is noteworthy that in the 21 years since she put that proposal forward, nobody has succeeded in bringing forward for consultation a procedure whereby that can happen.

Staff interests are more properly taken account of in an appropriate joint consultation procedure.

ons must
d-PM

be debated in the House (labc
cheers).
Mrs. Thatcher—The Secretary
State for Defence will hope to
expect with the permission of
House to make a statement
Thursday. The matter of the
bate can be pursued with
Leader of the House.
Mr. Robert Croy (Keighley, L.
said there was concern at
Government's proposal to
more nuclear missiles in

This country and the world (said) was faced with danger the nuclear alert of November. The more nuclear missiles we in this country, the greater danger. There is no freedom a where if we all finish up in radioactive cinder heap. Mrs Thatcher—The greatest d ger to any country is weakness

denance. (Conservative cheers.)
you wish to have nuclear missiles
particularly theatre nuclear force
reduced, the first thing would
to persuade the Soviet Union
withdraw the 120 SS20s wht
they already have in service.
Mr Robert Atkins (Preston, Nor
C) - A recent opinion poll in
news magazine indicated that
per cent of our population
approved an increase in defence

spending. Of those of the Labc Party asked, 87 per cent support the same conclusion.

Mrs. Thatcher—I believe we people wish to see our freeds properly defended with enou troops and enough nuclear fore to deter any potential aggress at each and every level.

Later, Mr Frank Ailman (S. ford, East, Lab) unsuccessfully sought an emergency debate.

al framework services

That surveillance was accomplished by methods such as phone tapping and mail opening which lacked statutory authority, and were devoid of any vesdige-accountability to the Commc and which cried out for legislation. The trouble was that a version or subversive was a subjective and elastic term.

The security service should given a clear remit which restrict

Providing legal framework for security services

That surveillance was accompanied by methods such as pig tapping and mail opening, which lacked statutory authority, and were devoid of any visible accountability to the Congress and which cried out for legislation. The trouble was that a version or subversion was a subjective and elastic term.

The security service should

given a clear remit which restricts its surveillance to those citizens judged to be undermining Parliamentary democracy by violent unlawful means. Parliament has not created a wider crime of seditious libel and had no power to maintain a secret police force or survey organizations.

The debate on Mr Blunt concentrated on whether or not a security service was proper and accountable to a minister. It

missed the point. It did not matter whether the security service was answerable to a minister when a minister was not answerable to a house. There was no way present in which the minister could be made answerable in Commons. He could not be obliged to answer questions on matters which were known to every journalist in Fleet St, such as the name of the Director-General of the security service.

Other democracies manage America and Germany found the committee with broad responsibility and oversight for security service was commendable with security.

He saw no reason why the could not be a Commons select committee which could meet private to discuss the policy resources available to the security service.

Over the past few decades, there had been a major expansion of the security service. It was believed that the number of its agents had doubled. It had the latest computer technology which made possible to store and retrieve information on a number of individuals which exceeded the drop of the prewar service.

carried out an entirely necessary task in a wholly effective manner. The point was that the Comintern had no means of establishing this. It was not prudent to allow it to continue.

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...ard Levin
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A POSSESSION NOT A PROMISE

The gold price is remarkable historically for its long term stability and recently for its short term instability. Every schoolboy knows that the gold standard gave the Byzantine empire, that ramshackle relic to which Gibbon devoted his later and less read volumes, 800 years of stable prices. It is interesting to note that the average earnings of an English worker in 1300 came to half an ounce of gold a week and that in 1979 after two world wars, a world slump and a world inflation, the British worker has average earnings of half an ounce of gold a week, so much for the power of the trade unions. Professor Roy Jastram, of the University of California has calculated, on an index with 1930 as 100, that the purchasing power of gold in England was 124.8 in 1600 and 129.2 in 1900. In contrast to these centuries of stability, the gold price in recent years has moved about in a breathtaking way, yesterday reaching a new peak of \$447 1/2 an ounce.

The purchasing power of gold is at present high by historic standards. At any rate, that is true in terms of the majority of commodities. However, the purchasing power of gold is not exceptional if measured in terms of labour cost or in terms of the price of oil. The recent movements of the gold price suggest that gold and oil prices have become closely linked at some where between sevenpence and nineteen barrels of oil to the ounce of gold. The present gold price movement seems to anticipate a further rise in the price of oil.

Twelve-fold rise

It is not surprising that the gold price should respond to the oil price because both are commodities in limited supply. Gold, like oil, has probably passed the peak of its world production though, unlike oil, it is a virtually indestructible commodity of which much the greater part that has ever been mined still survives. There is only a fixed amount of gold in the world, potentially available to be exchanged for oil; there is a potentially unlimited supply of currencies, and their value in terms of gold or oil has in most cases rapidly declined.

Since 1968 the price of gold in terms of dollars has risen by more than twelve times. At least that is one way of looking at it. Another way of looking at it is to say that the value of the dollar in terms of gold has fallen by more than 90 per cent in less than twelve years. At the beginning of 1968 gold played only a minor part in the reserves of the central banks. As a result

of the increase in the price over half the value of all central bank reserves now consists of holdings of gold, including well over 90 per cent of the value of the central bank reserves of the United States. Apart from the proceeds of some swap agreements, gold is all they have. It is perfectly possible that the gold price will again have a temporary fall at some point in the future as a result of world recession or of speculation boiling over. Yet the forces which have knocked the dollar down against gold are far stronger at the beginning of the 1980s than they were at the beginning of the 1970s. The world shortage of oil, the competition faced by American industry, the rate of inflation in the United States, all undermine the dollar now in a way they did not ten years ago. It would be difficult to find any plausible argument for supposing that gold will weaken in dollar terms in the 1980s.

The oil factor

Other currencies, the D-mark, the Swiss franc and the yen are likely to be used to diversify the dollar content of world reserves, yet neither Germany, Switzerland nor Japan have any oil. In a world critically short of energy no non-oil currency can have more than marginal importance for reserve purposes. It seems likely therefore that gold's share of the value of world reserves will continue to rise in the next decade.

There is a division between the function of money as a store of value and its function as a vehicle for transactions. Graham's Law states that bad money drives out good, by which is meant that a man who has both bad and good money will keep the good and use the bad to settle transactions. In the 1980s gold is likely to remain the preferred store of value and the dollar the preferred currency of circulation. Central banks already treat gold as too valuable to sell, and faced with a shortage prefer to pledge their gold and borrow dollars rather than sell their gold.

The European Monetary System recognises that gold has again become the reserve base of the world monetary system. This is still deeply offensive to some economists and to the United States Treasury, despite the fact that the rise in the value of the gold reserve of the United States has been an immense benefit to the American economy. Without the United States gold reserves the dollar would have fallen even further.

It would be better if the United States and indeed the International Monetary Fund now officially accepted the reality of their

situation. Under the pressure of domestic inflation and of the world oil shortage, other people's paper currencies have ceased to be satisfactory as a security for the future of independent nations. Currencies may be held temporarily for convenience, but it is no longer possible to make a realistic estimate of even their medium term purchasing power. We have reason to expect that the purchasing power of the dollar in 1990 will be well below its purchasing power today. We may suspect that it will fall by at least 50 per cent, which would represent compound inflation at just over a seven per cent rate. We may fear that it will not fall by more than 75 per cent, which would be compound inflation at a 12 per cent rate. In holding dollars there is the certainty of loss, offset by the benefit of interest, but the scale of the potential loss is not predictable.

The American decision to block the Iranian dollar balances was not an unreasonable response to the threats of withdrawal of funds and the outrageous seizure of the American hostages, but it did take the process of decline further, it politicised the dollar. That decision made the dollar a reserve asset wholly conditional on the good will of the American government. Against the dollar gold has therefore two advantages. It is very unlikely that in 1990 the purchasing power of gold, which is scarce, will fall below its present level, and it is probable that it will be well above it. Gold also is not political; it is a possession and not a promise. A government which owns an ounce of gold does not have to ask the United States or anyone else for permission to cash it. Gold is a national reserve no other government can inflate and no other government can block.

Two questions

The gold supply is finite; that is its monetary significance. The oil supply is finite; that is its economic significance. Gold has, by intrinsic qualities and against current theory, resumed the dominant reserve role. That is fact. There are, however, two questions. Can the gold base be engaged in the systems in such a way as to bring world inflationary expectations under control? The gold standard achieved that down to 1914, for the reasons Ricardo gave. Can gold loans be used to offset the world interest rate competition? Gold loans naturally have low nominal and low real rates of interest. Gold has forced its way back in one of its traditional roles. Can we make use of it in other roles to help with other apparently insoluble world economic problems?

CAUTIOUS LIBERALIZATION IN BRAZIL

Brazil has changed but of all recognition in the past few years. It is remarkable, in a country which has been under military rule for fifteen years, which was in many ways a pace-setter for other South American regimes of a similar sort, and which only recently had a reputation for particularly brutal repression, to have the President himself, a general, physically attacked by an angry crowd and say afterwards, "This disturbance proves that there is really democracy in Brazil". It may not be everyone's idea of democracy, but it does show that there have been changes. In Brazil today strikes are tolerated, exiles of many years have been allowed to return, and new political parties are being formed, even though the legal requirements are making it difficult.

The rioting in Santa Catarina, where President Joao Baptista Figueiredo gave the order for the occasion for that remark, was a sign that everything is far from well in the Brazilian economy. Inflation has been rising over the past year, and it is expected that it will soon reach 75 per cent. There are many millions of Brazilians who gained little or nothing from the "economic

miracle" of a few years ago, and they are beginning to make their protests heard. A recent blow has been an increase of some 58 per cent in the price of petrol, made necessary by Brazil's dependence on imported oil. It was followed by the decision made at the end of last week to devalue the cruzeiro by 30 per cent, which will also have inflationary effects, though it should help Brazilian exports. So the Brazilian regime is faced with a potentially explosive situation, and it is clear that it is keeping a close watch on it as it pursues its policy of gradual liberalisation in the political field.

The policy began under General Geisel, President Figueiredo's predecessor, but has only really gained momentum since President Figueiredo took over earlier this year. It is carefully thought out, with the aim of allowing a certain amount of protest and letting off of steam, but without enabling any serious threat to develop to the regime. It also requires skilful handling, because a middle way has to be steered between demands for greater liberalisation and pressure from hard-liners in the armed forces, all too

eager to clamp down again if things seem to be getting out of hand. There seems to doubt that President Figueiredo and many of his closest advisers believe that there is no way back to the repressive policies of the past, because it would simply not be possible to contain the wave of protest which would result. But the going is beginning to get rough now, and Brazil is not being helped by international developments such as the rise in the price of oil.

Since it was first installed in 1964, the Brazilian military regime has achieved a great deal in building up the country so that it is now an important presence on the world scene. It has begun some imaginative programmes like the use of alcohol from sugar cane for fuel. But it has not solved the basic problem of how to distribute earnings more evenly to the whole population, and that is at the root of the current protests. It is therefore important that liberalisation should continue further, so that other voices are heard in the decision-making process and that eventually the possibility of a transfer of power, to a coherent opposition, should be admitted.

Threat to local democracy

From Mr John Luff
Sir, I refer to your leader of December 4 on the draft Bill. You rightly stress the point that local government is being freed from several detailed, relatively insignificant, controls but being progressively squeezed in a vice-like grip on policy matters in central governments—or should I say the Civil Service—endeavour for it to become that large dog. No doubt even the most ill-informed can see this blatant disregard for grass roots democracy. What surprised me is your statement that the proposed "unitary" grant, which changes the basis of government aid to local authorities, does not strike at a council's freedom to choose its own level of rates. Of course, ultimately, it does. It is only a matter of time before any form of central government, in any form, is bound to the needs of the area and the council's awareness of the ratepayers' ability to pay for the services. This is why we have councils.

by each diverse communities as say Island of Somerset.
It either council then tries to depart from the published standard, up or down, there will be howls of protest from some pressure group or other. It is this standardisation of the price we are all to pay to bring a few recalcitrant local authorities into line.
What price concessions of calibre in the future? Does not responsible local government deserve a better fate than that with the effective responsibility of a jumped up parish council if some of these ill devised policy controls are implemented. Grass roots democracy will bitterly regret the day.
JOHN LUFF,
Chairman, Finance Committee,
Somerset County Council,
Taverton.

Defining freedom

From Mr Alan Grewther
Sir, While not wanting in the least to disagree with Bernard Levin's article on contemporary conservatism, after reading his article, I was left in some doubt as to the alternative position he wishes to espouse.
I suggested that positivists of all parties, and particularly those of the right, should not be constrained to do what we ought not to will. We are free in so far as we set out our lives in accord with the ends appropriate to our nature. No more than a train, a man is not free when he is off the rails. He is

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Stock markets
FT 100 422.9 up 3.7
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Sterling
\$2.1895 up 2.25 cents
Index 69.1 up 0.3

Dollar
Index 84.8 down 0.3

Gold
\$447.25 an ounce up \$15.75

3-month money
Inter-bank 16 1/2 to 16 3/4
Euro 5 1/4 to 5 1/2

IN BRIEF

3-tier market now being considered

Proposals for a three tier stock market were considered by the Stock Exchange Council yesterday. The committee was set up to consider the possibility of a three tier market under the Stock Exchange's Rule 63(2) prepared for the committee by a sub-committee headed by Mr Charles Eglinton, a partner of KPMG & Smithers, the stockbrokers.

Details of the recommendations by the committee are expected to be published by the stock exchange today.

One suggestion is that the three tiers envisaged could be for very large companies (possibly the top 200 in terms of marketability); all other publicly quoted companies; and third "over-the-counter" tier for companies which are not traded on the stock exchange but which are not listed on the stock exchange.

The committee also suggested that the three tiers envisaged could be for very large companies (possibly the top 200 in terms of marketability); all other publicly quoted companies; and third "over-the-counter" tier for companies which are not traded on the stock exchange but which are not listed on the stock exchange.

5.5m China deal
Babcock Product Engineering & Construction, the parent of Babcock & Wilcox, has secured a 5.5m contract from China for the supply of coal pulverising mills, equipment and technology. The main components will be made and assembled at the Babcock & Wilcox plant, while Babcock & Wilcox & Babcock-Morley of Gloucester will supply other instrumentation. Delivery is expected to begin in August, next year.

US order for Marston
Marston Radiators, the IMI subsidiary, has won the first component contract to be placed in the United Kingdom by the new Volkswagen of America company. Marston will be supplying heat exchangers to be fitted in United States-built air conditioned Volkswagens. The contract value was \$2m (nearly 1m) next year.

Aluminium stocks fall
World aluminium stocks, including primary and secondary metal, finished products and scrap, fell to 3.4 million tonnes at the end of October compared with 4.1 million tonnes a year earlier. The International Primary Aluminium Institute said that primary metal inventory stood at 1.5 million tonnes at the end of October against 2.1 million tonnes a year ago.

27m contract
Boris Cammon has won a 27m contract to act as construction manager for the first two phases of the £125m Hong Kong United States Asian Trade Centre being built in Oakland, California. The company has been formed by Boris International, Cammon Properties of Hong Kong and other overseas interests.

Accountants lose case
Peat, Marwick, Mitchell the accountants have lost their appeal to the High Court, against a ruling that they must pay £1.3m in damages for "misleading advice" to a German company owned by United Drapery Stores. Peat's lawyers are considering a further appeal.

EHS decision delay
Mr Geoffrey Howe, the Chancellor of the Exchequer, told foreign journalists Britain was unlikely to take an early decision on joining the European Monetary System.

New guidelines further restrict NEB's control of British Leyland

By Peter Hill

New restrictions on the National Enterprise Board's control of the funding of British Leyland were announced by the Government yesterday.

Sir Keith Joseph, Secretary of State for Industry, also took steps to prevent future investment by the NEB in industry unless it is accompanied by private investment. The board will be required to sell its shareholding portfolio as soon as practicable to the private sector.

The changes in the board's operations were contained in draft guidelines published by the Department of Industry yesterday. Much closer consultation between the board and the Secretary for Industry is envisaged.

The draft will be closely discussed by Sir Keith and Sir John Gummer, the new NEB chairman, who has already expressed concern over the proposals. The whole question of the funding of the motor group is in doubt because the NEB is not authorised about continuing to mount a response to the BL. The new board is also anxious about Government scrutiny of the NEB's medium-sized companies, and wants further discussions of its role as a "stimulator" of investment in industry.

The guidelines substantially curtail the NEB's scope of operations—in line with the provisions of the Industry Bill now before Parliament—and lay great emphasis on disposal of shareholdings.

Sir Keith has defined the extent of the board's "catalytic" investment role, which will be restricted to companies in which the board already has an interest, or to those engaged in the development of advanced technologies. The board will also be able to help investment in companies in the assisted areas of England and may help small firms in areas of high unemployment.

On investments, the guidelines state: "Before acquiring securities or making loans, the board shall satisfy themselves that the requirements of the company concerned could not be met appropriately by other sources of finance, and in making such investment shall do so only in conjunction with private investment."

Sir Keith has said that the NEB should only buy when it saw the prospect of an adequate rate of return within a reasonable period, and it should also

encourage the companies concerned to attract greater private investment. The NEB will not buy voting shares or stock without prior agreement of the board of the company concerned.

The guidelines make clear that, in the case of an investment made at the request of the Secretary for Industry, funding will be met by the Secretary. On disposals—where the board is expected to raise over £100m from the sale of its holdings in British Leyland, ICI and Vauxhall Engineering—the guidelines say the board will be required to have regard to the interests of the company, but "shall not refrain from making a disposal merely to meet the board's financial duties."

The board will be required to seek the highest price and will also have to secure the approval of the Secretary for Industry before disposing of voting shares or stock. Ministerial approval will not be required for disposals involving less than £500,000.

The guidelines add that loans or guarantees of more than £5m cannot be made without Sir Keith's approval. The exception is BL, where the NEB may, without requiring the Secretary of State's consent, make loans, provide guarantees or make any other form of financial commitment within a limit of £25m for each project.

"Where a proposed commitment in respect of BL exceeds £10m, the board will give the Secretary of State reasonable notice of their intention to give him the opportunity to intervene."

Under the guidelines, the board will be required to submit an investment programme each year setting out its expected financial requirements and taking into account companies in which the NEB was already interested, new investments, greater private investment, the prospects for the disposal of companies.

In appropriate cases the board will be required to consult with the Director General of Fair Trading, and will maintain effective relationships with the Secretary of State, the Secretary of State for Scotland, the Secretary of State for Northern Ireland and the Secretary of State for Wales.

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BSC to cut steelmaking by 30 pc

The British Steel Corporation secretary announced yesterday that the company's steelmaking capacity will be reduced by 30 per cent to 15 million tonnes a year, at which level it reckons both home and overseas sales should be profitable.

The new plant at Redcar/Lackenby on Teesside, where a new 10,000-tonne-a-day blast furnace was recently commissioned, will be built up to an annual capacity of about 3.5 million tonnes a year.

Electric arc steelmaking plants at Sheffield will be operated at a similar level. At Scunthorpe on Humberside, production will be cut to 3 million tonnes a year while the extent of future iron and steelmaking at the Welsh plants of Llanwern and Port Talbot will be the subject of consultation with the unions.

Various options are being studied, including the total closure of one of the two plants,

together with its associated processing facilities, or maintaining iron and steelmaking on a much reduced level amounting to about 2.75 million tonnes a year.

In Scotland, the giant new development at Ravenscraig will be operated at 2 million tonnes a year which should ensure it breaks even financially.

Two other plants at Consett and Rensselaire in Scotland are to close permanently with a combined loss of 4,600 jobs. If the phasing out of steelmaking is agreed quickly there will be a further reduction of 1,600 jobs in the corporation's rolling mills across the country and discussion on these closures or partial closures will begin next month.

The board is apparently satisfied that the cutbacks, which it wants completed by August, 1980, will be sufficient to assure a reasonable prospect of a return to profitability by the end of March 1981.

BSC executives stressed yesterday, however, that the drive was essential if the corporation was to lift its productivity to the levels achieved by its major European competitors.

The corporation will attempt to improve productivity through de-manning at local works level and improve levels of flexibility between the steelworking trades.

Sir Charles Villiers, BSC chairman, said that the corporation was now at a critical point in its 12-year life. If it did not tackle the problems with vigour and a sense of reality it would wither, because customers would turn to imports rather than pay the unnecessary costs of over-capacity, over-manning and non-competitive working practices.

Our Labour Editor writes: Immediately of the BSC announcement, steel union leaders put

their case for a bigger pay rise and a less harsh rundown of the industry to Mr James Callaghan, leader of the Opposition.

Leaders of all unions in state steel meet tomorrow to discuss the BSC's strike threat and to consider the next move.

Welsh steelworkers reacted with horror last night to the BSC announcement (Tim Jones writes). They forecast it could lead to more than 40,000 jobs being lost in the principality.

Mr Ian Kelsall, area secretary of the CBI, called for a major aid programme while industry union leaders were demanding all-out strikes to prevent Wales being turned into an economic wasteland.

At best, the BSC announcement means that 10,000 steel jobs will be lost, with 7,000 miners thrown out of work and 11 pits closed.

Sir Charles Villiers: Steel corporation now at a critical point in its life.

Markets encouraged by limited growth in money supply figures

Monetary growth appears to have moderated appreciably in the November banking month after a period of rapid expansion experienced in October.

Preliminary banking figures released by the Bank of England yesterday suggest that the growth in sterling M3, the broad-based measure of money supply, may have been little more than 1 per cent over the five weeks to November 21.

This compares with sterling M3 growth of almost 2 per cent in the previous month.

Although growth of this order would still leave the money supply growing faster than the Government's target, the slight moderation was reasonably encouraging by financial markets yesterday.

Gilt prices moved ahead throughout the day, with long-dated stocks finishing with gains of more than 100p. Near the close of business, supplies of short/medium "trap" stock Treasury 15 per cent 1985, were declared exhausted.

Markets were also reasonably happy with official figures showing a Central Government Borrowing Requirement (CGBR) of £1,690m in November. The deficit

of £1,639m in the Consolidated Fund was, if anything, rather smaller than expected.

In spite of the fact that November carried the impact of October tax rebates in the form of smaller PAYE payments from employers to the Inland Revenue, PAYE transfers were still relatively buoyant. In addition, Inland Revenue receipts were helped by Petro-chemical tax payments from some £277m higher than in the same month of the previous year.

The overall November CGBR, which was reduced by £105m by the initial payment received on the sale of BP shares and by a further £22m from other share sales, was rather higher than in November 1978. Comparisons of monthly figures are, however, largely meaningless this year as a result of the tax changes.

For the first eight months of the present financial year, the CGBR totalled £3,431m against the full year forecast of £3,564m. Although the total will continue to rise in December, there will be a sharp reversal of the position after the New Year as the Government moves into the peak of the tax-gathering season.

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Figures from the London clearing banks suggest that private sector loan demand remained fairly strong, though the size of the increase in advances at £463m was well below the previous month. The hope is that the mid-November rise in base rates will start to curb lending before long, though it may well be that personal borrowers will take little notice of the high cost of loans in the run-up to Christmas.

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Government to limit North Sea oil output

By Nicholas Hirst

Production of North Sea oil is to be controlled so that exports will be limited to conserve supplies for Britain's future use.

Details have yet to be worked out but the principle that oil production levels are to be decided by the Government represents one of the most important developments in British energy policy over the past decade.

Net self-sufficiency in oil for Britain will be reached late next year. Production would rise, if the Government imposed no controls, to around 30 million tonnes a year, equal to a third of Britain's requirements, in 1985.

This is because imports of oil into the EEC are affected by the level of North Sea production. A reduction in import levels could be used by Britain's EEC partners, it is felt, to put pressure on the United Kingdom to increase its oil output.

At the IEA meeting on Monday and at an earlier meeting of EEC energy ministers in Brussels, Britain agreed to export five million tonnes of oil in 1985.

All the comments made by Government ministers now suggest that figure will be the maximum to which a depletion policy will be aimed. What might upset these calculations is a strong further deterioration in the balance of payments, or increased production for economic reasons.

Until recently there was concern that the effects of a marked reduction in North Sea production on oil company earnings would have long-term disadvantages by discouraging future exploration.

But the rise in prices since the troubles in Iran has so transformed North Sea profits as to reduce such fears considerably.

According to guidelines laid down by Mr Eric Varley as Secretary of State for Energy during the Labour administration, few controls may be placed on the rate of depletion before 1982.

Production, however, could well rise above the level of net self-sufficiency before then. Increasingly the Government looks prepared to bring in conservation policies when necessary even if the effects are to reduce the expected level of oil company earnings.

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Sir Charles Villiers: Steel corporation now at a critical point in its life.

Markets encouraged by limited growth in money supply figures

Monetary growth appears to have moderated appreciably in the November banking month after a period of rapid expansion experienced in October.

Preliminary banking figures released by the Bank of England yesterday suggest that the growth in sterling M3, the broad-based measure of money supply, may have been little more than 1 per cent over the five weeks to November 21.

This compares with sterling M3 growth of almost 2 per cent in the previous month.

Although growth of this order would still leave the money supply growing faster than the Government's target, the slight moderation was reasonably encouraging by financial markets yesterday.

Gilt prices moved ahead throughout the day, with long-dated stocks finishing with gains of more than 100p. Near the close of business, supplies of short/medium "trap" stock Treasury 15 per cent 1985, were declared exhausted.

Markets were also reasonably happy with official figures showing a Central Government Borrowing Requirement (CGBR) of £1,690m in November. The deficit

of £1,639m in the Consolidated Fund was, if anything, rather smaller than expected.

In spite of the fact that November carried the impact of October tax rebates in the form of smaller PAYE payments from employers to the Inland Revenue, PAYE transfers were still relatively buoyant. In addition, Inland Revenue receipts were helped by Petro-chemical tax payments from some £277m higher than in the same month of the previous year.

The overall November CGBR, which was reduced by £105m by the initial payment received on the sale of BP shares and by a further £22m from other share sales, was rather higher than in November 1978. Comparisons of monthly figures are, however, largely meaningless this year as a result of the tax changes.

For the first eight months of the present financial year, the CGBR totalled £3,431m against the full year forecast of £3,564m. Although the total will continue to rise in December, there will be a sharp reversal of the position after the New Year as the Government moves into the peak of the tax-gathering season.

Figures from the London clearing banks suggest that private sector loan demand remained fairly strong, though the size of the increase in advances at £463m was well below the previous month. The hope is that the mid-November rise in base rates will start to curb lending before long, though it may well be that personal borrowers will take little notice of the high cost of loans in the run-up to Christmas.

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Prime rate rises to 19.5pc in Italy

Italy's prime rate has been raised by three points to 19.5 per cent, after last Wednesday's increase in the discount rate from 12 to 15 per cent.

At the same time, the Italian Banking Association widened the differential with interest paid on current and deposit accounts.

In a move expected to arouse protests from account holders, it announced an increase of only 75 per cent to take effect on January 1. The maximum payable on large accounts will now be 11.5 per cent.

ENI finds gasfield

ENI, the Italian state hydrocarbons corporation, has announced the discovery of a commercial gasfield, named Port Corsini, 80 miles off Ravenna in the northern Adriatic. The field is expected to yield over 300 million cubic metres of methane a year.

Toronto plant closed

Pilkington Glass Industries is closing one of its two Toronto plants permanently, which will put 400 employees out of work. The closing comes after a 16-week strike which cost the company \$16m (about £5.5m).

Jobless rate steady

There were 76,000 unemployed in Sweden last November, 1.8 per cent of the total labour force of 4.29 million, says the Central Bureau of Statistics. This is largely unchanged from last October when the figure was 78,000.

European currency

The European Economic Community commission is proposing to use the ECU (European Currency Unit) for all community activities.

Bankruptcies up

Japanese corporate bankruptcies in November increased to 1,682, up 11 per cent from 1,515 in October and up 13.4 per cent from 1,483 in the like year-earlier month, according to a private corporate credit inquiry agency, Teikoku Koshinsho.

Establishment of new union unlikely to avert fight over membership

Stage set for bank staffs recruitment war

The decision by the staff associations of three major London clearing banks to merge and form their own union brings into sharp relief the philosophical differences between them and the main TUC-affiliated union in the industry.

Industrial relations in the banking industry have been chaotic since the striking Insurance and Finance Union (formerly NUBF) abandoned joint negotiating some two years ago in protest at the lack of movement towards establishing a single union.

BIFU, as a member of the TUC, is interested in recruiting as many members as possible from the staff associations at Barclays, National Westminster and Lloyds. The announcement on Monday that the associations had decided to merge to form a new Clearing Banks Union, with 93,000 members, is an attempt to forestall a recruitment war in banking and finance between BIFU and Mr Clive Jenkins's Association of Scientific, Technical and Managerial Staffs (ASTMS).

The staff associations have been reluctant to affiliate to the TUC, although they were prepared to do so if BIFU had been ready to accept in its entirety the second report by Dr Tom Johnston, which proposed the creation of a new TUC-affiliated union for the whole of the banking, insurance and finance field.

Dr Johnston, who has been trying to unravel the complicated union scene was insistent that a new union could work only if it was affiliated to the TUC.

This gives rise to scepticism in banking circles that a new Clearing Banks Union which obviously could not be affiliated is unlikely to have long before it is picked off by the TUC unions.

There is also disagreement on what form a new umbrella union for the industry would take. The associations wanted to see a federal structure with strong in-house representation, which would receive its own income and be affiliated to a Clearing Banks Union. BIFU wanted a more unitary structure, with policy autonomy at different levels.

The staff associations were prepared to accept in full the second Johnston report, drawn up in October. However, BIFU wanted to set up working parties to examine questions of detail, while accepting the six major principles embodied in the report.

To the staff associations' examination of detail meant negotiation and while they may, as a last resort, have been prepared to go along with this, as a "gesture of goodwill" they asked BIFU to rejoin joint negotiating machinery, which BIFU refused.

The stage now appears to have been set for BIFU and ASTMS, which has a significant membership in the Midland Bank, to fight each other over the staff associations, with the possible outcome that the two unions may each pick up one of the associations, with the third finding solace wherever it can.

Meanwhile the luckiest bank of them all is Williams and Glyn's, which negotiates only with BIFU and is the envy of the world of finance.

David Felton

Heavy plant makers stung by allegations of poor performance

By John Huxley
A row over the alleged poor performance of Britain's heavy plant makers has broken out between the industry's leaders and one of their biggest customers.

Now the industry is to ask Sir Keith Joseph, Secretary of State for Industry, to monitor the "performance versus promise" of British and foreign suppliers on a number of projects in a move to refute recent criticisms.

The row comes at a time when the industry is seeking government assistance in its attempts to win much-needed orders.

Today, senior members of three of the industry's leading fabricating companies; Northern Engineering Industries, Babcock International, and Davy, will be meeting Sir Keith Joseph to discuss prospects.

Plant makers have been stung by what they describe as a "public onslaught" and "thrashing" from an executive of BP Chemicals, who complained about their delivery performance in general and its performance on five projects worth more than £3m in particular.

Mr Hornsby said: "I have spoken to BP and they have not been prepared to identify the projects or the suppliers to enable us to investigate the complaints and the reasons behind them. It is not, therefore, possible to arrive at anything constructive out of this state."

Mr Hornsby said: "We ought to be good for £20m a year profit, although it may take a year or two. On the other hand it must be made absolutely clear to everyone in this company that Peugeot Citroen will not invest good money after bad and if they pull the plug out we shall go down the sink," he said.

Sinking Ships: Sir Barrie Heath, president of the Society of Motor Manufacturers and Traders and chairman of GKN, said last night that clinging to outdated manufacturing processes and managing levels in the British motor industry was like clinging to a sinking ship.

The keys to future prosperity were improvements in productivity and labour relations, he told the SMMT annual banquet in London.

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Aston may make offer for MG cars

By Edward Townsend

Aston Martin Lagonda, the leader of the consortium, is investigating the purchase from BL of its MG cars subsidiary, could be making an offer within the next few weeks.

The consortium has held discussions with BL executives and it has been given access to financial and other data on the MG operation at Abingdon.

Aston Martin said the talks had been "of a meaningful nature" and considerable progress had been made but it was considered premature for either party to make a public statement.

"The next key point will be very early when we have assimilated and analysed the information to determine our stance."

The possibility of the purchase became more uncertain this week when BL's Austin Morris announced that the Cowley-based export packing department would be switched to Abingdon and that a specialised vehicle unit would be established at the MG site.

Although the consortium has been investigating possible factory sites for building MG cars, it would be most interested in a deal which included takeover of the Abingdon plant.

Aston Martin discounted suggestions that the Massy-Ferguson factory at Kilmarnock in Scotland, which is to close in February, could be the new home for MG sports cars. The company said the factory was the subject of "a whole host of options" considered before discussions with BL reached a deadlock stage.

The M.F. plant, which has a workforce of 1,500, is to close after a decision to switch harvester production to France. The plant is modern and has a good industrial relations record.

And, although I fully appreciate the heavy burden that inflation—interfered by all, caused by some governments since the war—has imposed on disadvantaged groups such as pensioners, knowing also something of the pressures on young people trying to set up their own homes

and give their children a good education, I would question whether the differential between our and their subscriptions are unfair. By 65 most should be free from the heaviest burdens and could well be expected to divert a higher proportion of their income to protecting their inevitably worsening health.

The young might even point out that it was the indifference of our "never had it so good" generation to the immortality of sustaining our ease by institutionalized bliking that allowed the mess we are in to reach its present magnitude.

Yours faithfully,
LEWIS STRETCH,
1 Manor Close,
Ashby-de-la-Zouch,
Leicestershire LE6 5EE.
December 4, 1979.

LETTERS TO THE EDITOR

Level of investment in housing

From Mr Norman Griggs

Sir, Mr D. S. Robertson (December 5) attributes under-investment in industry to the high level of owner-occupation in Britain but there is no real connexion between the two. Mr Robertson is right in pointing out that the proportion of owner-occupation is lower in West Germany, France and Holland than it is in Britain though he is wrong in claiming that this is also the case in Denmark. However, the United States and Canada both have a much higher level of owner-occupation than in this country but they do not have our poor industrial record.

It may be that the proportion of personal wealth held in the form of housing has increased but this has not been at the expense of industrial investment. Most of the activity in the housing market relates to secondhand dwellings and this does not entail the consumption of resources. In fact, the

proportion of gross domestic product devoted to housing in Britain is lower than in most other advanced countries and all the evidence submitted to the Wilson Committee demonstrated that the problem facing industry has not been lack of capital but rather lack of profitable investment opportunities.

Certainly industrial investment is vital but before advocating policies to increase it one must get the nature of the problem right.

Yours faithfully,
NORMAN GRIGGS,
Secretary General,
The Building Societies Association,
34 Park Street,
Mansfield,
London, W1V 3PF.

From Mr D. R. Townley
Sir, Mr Robertson's argument (December 5) that investment in industry is affected by investment in private housing is incorrect.

period after training; at present some 70 per cent of graduates are in jobs using their skills at that point. This figure is probably conservative because some leave for jobs before completing training and so escape the survey. It is of course an average as between areas where results are much better than this and areas where job prospects are so poor that some of the training we are under acute local pressure to offer can, alas, be of only limited benefit, either to individuals or to the local economy.

However, on a point of fact raised by Mr Musgrave, it is no longer true that half of Skilcentre trainees are not doing jobs using their skills some months following training. The only regular series of figures is for a three-month

period after training; at present some 70 per cent of graduates are in jobs using their skills at that point. This figure is probably conservative because some leave for jobs before completing training and so escape the survey. It is of course an average as between areas where results are much better than this and areas where job prospects are so poor that some of the training we are under acute local pressure to offer can, alas, be of only limited benefit, either to individuals or to the local economy.

Yours faithfully,
J. D. RIMINGTON,
Deputy Chief Executive,
Employer Services Council,
Ebony Bridge House,
Ebony Bridge Road,
London SW1W 8PY.

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Industrial investment is not determined by availability of funds as Mr Robertson implies, but on the will of industry to invest—and there are plenty of funds available for this purpose (pension funds, banks, insurance companies, etc.).

Britain's poor performance is simply the result of firms' expectations of an insufficient return—hence the trade union accusation of an "investment strike".

The only effect of Mr Robertson's "housing remedies" will be to provide even more money to the city money pool and so cause the rate of interest to fall—but, as Keynes argued, the rate of interest has only a very marginal effect on investment and this has subsequently been borne out by experience.

Yours faithfully,
D. R. TOWNLEY,
2 Fairview,
Putney Hill,
London SW15.

From The Rt Hon The Earl of Kinnoull
Sir, We now learn from Sir Peter Carey's evidence in the Commons Public Accounts Committee that not only had the recently-resigned members of the NEB been blown off course on their way to obtaining their financial objectives, but that they were also reluctant to co-operate the principal allegations by Sir Leslie Murphy against Sir Kenneth Keith?

May one express with confidence the hope that under finance control the new NEB will exhibit a more mature understanding of its difficult problems and avoid the dangers common to all those who are obliged to dwell in glass houses. Otherwise quis custodiet custodes?

Sincerely,
KINNOULL,
House of Commons,
London, SW1,
Dec 6.

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EDITORIAL
in housing

BY THE FINANCIAL EDITOR

Straws in the wind

Yesterday's November banking figures were very bit as bad as expected. The banks' eligible liabilities rose by 1.9 per cent over the month; the banking system as a whole as further out of the target than at any time to date; and the figures from the clearing banks confirmed that loan demand remained uncomfortably strong.

Yet for all that there were still straws to be clutched at. For a start, it seems that Thursday's figures for sterling M3 will be anything like as bad as the eligible liability figures might suggest. Indeed, as a result of a number of factors—namely, the fact that banks have been discounting bank transactions with discount rates, the rise in non-resident sterling deposits and a change in the banks' netted position—growth in sterling M3 is likely to be only a half per cent. And that would bring an annualised rate of growth since June from nearly 14 per cent to under 13. More important, of course, is the fact that a mid-November rise in interest rates had real chance to bite. The impact of that is still to work its way through and may require several months' patience. Even so, the rise in lending in November was clearly well below the October surge and the figures for the three months to November suggest some fall in the rate of quarterly increase.

In the gilt market, buyers were already active ahead of yesterday afternoon's announcement of the banking figures on the view that the market had already discounted more pessimistic expectations. So, given an indication of relatively acceptable sterling M3 growth the market continued to better through the afternoon, with further help coming from rather better than expected figures for the central government borrowing requirement in November. All this was enough for the short-medium term to be declared exhausted at the close. Whether or not the authorities will be keen to push a new stock into the market ahead of the holidays remains to be seen. Clearly, any want to hold interest rates around their present level until they have firm evidence that their medicine is working.

Raising a hoary old problem—but one that has still to be satisfactorily resolved—Chancellor, Sir Geoffrey Howe, hinted institutional investors last night if they invest in a company they cannot also assume responsibility for its success or failure.

Institutions, despite much debate over the years, have always argued that as investors they are not qualified to interfere in the management of the companies in which they invest, and that the sanction which they can employ most effectively is to sell the shares they don't like. As a company's performance, as Sir Geoffrey said, selling leaves some else with the problem and the institution with a loss.

It would be better if institutions took a more positive action and used their influence to appoint a non-executive director whose experience and judgement they could trust. Some institutions have done this as yet another suggestion from someone who fails to understand the problems, but those "problems" are beginning to look like excuses.

Gas North Sea potential

usual, half-time figures from I.C. Gas are a guide to nothing in particular—except, perhaps, to the impact of rising fixed costs on a relatively low level of sales. Trading profits of Calor Gas have risen by only 13.8 per cent, as against a 25.3 per cent rise in turnover; and at the pre-tax level this is a loss of £1.97m (as against a profit of £1.62m in the corresponding period of last year) after depreciation provisions and interest charges.

to the group as a whole, after a £1.2m rise to £4.17m in the comparison from October, has produced pre-tax profits of £4.00m higher, at £3.56m, against the £3.5m recorded in the whole of last year. Last year's figures will show the benefits of the usual seasonal surge in calor sales (20 per cent up, so far this quarter, volume for the same period last year), second, of the price rise planned for January, which should help to offset the

squeeze on margins apparent in the first half figures. In addition there are contributions from the associate UNERG, and dividends from Petrofina and Intercom, to be brought in. So the pre-tax total overall is likely to be in excess of £35m.

Longer-term, Calor Gas is hoping for improved performance from an increase in gas supplies; and the group as a whole stands to benefit from its North Sea oil ventures in the Maureen, Andrew and Block T fields. Meantime the shares, at 615p, will yield 4.6p on a maintained final dividend. They are solid enough anyway, and could prove exciting if the North Sea throws up riches.

Trafalgar House Searching for new growth

Trafalgar House has gone ex-growth, although profits, down to £43.7m against last year's £60.6m, are actually 5 per cent ahead of £19m of exceptional property and share profits are excluded from the 1978 figure.

Nevertheless, Trafalgar has stood still for three years with its four main trading engines failing to synchronise.

For the moment it has neither the share ratings or the balance sheet to do anything dramatic on the takeover front, so it has had to take a cool look at the four existing trading divisions for the next leap forward. Judging by the heavy move into property development, the group clearly sees this activity as at least the short-term solution. Contracting and building continues to fare remarkably well with profits up 17 per cent to £26m. But despite the quality of some of its contracts, there could be pressure, particularly on the civil engineering side, next year.

Shipping, aviation and hotels saw some recovery in the second-half reducing the loss to £5.7m with better performances on the cargo side. Newspapers meanwhile have done well. Profits have increased slightly to £6.6m after charging some £2.8m of start-up costs on the Daily Star and Financial Weekly. However, the Sunday Express and specialist titles are still making running although Daily Express losses have been reduced. That trend must be in doubt next year as the newspaper business runs into recession.

Property, then, which, clipped in £15.4m against last year's heavily inflated £22m, should contribute strongly next year given low physical property yields and signs of an improvement in office letting and rentals. Indeed, sale of the Whitbread complex alone could transform next year's results. But with the shares up 1p to 561p offering a p/e of 6 and yielding 11.6 per cent, the market does not need reminding that Trafalgar is now more than a property company.

Serck Cuts the dividend

It has been rough for Serck, the Birmingham process and power engineering company; profits slumped from £5.15m to £1.6m, last year, and the final dividend is cut from 6.5p to 1.7p, making 4.9p for the year against 9.6p.

Serck had to close the loss-making Serck Tubes. Together with reorganisation at the Heat Transfer and Valve companies, this cost £3.1m. National engineering and transport strikes and internal labour problems following the end of wage controls cost £2.5m, and borrowing rose from £4.3m to £11.5m, and are still growing, uncomfortable when interest rates are at an all-time peak.

Serck's business is closely tied to overseas demand for process engineering equipment, particularly in the Middle East, and to power engineering at home. Orders have picked up and given low-allocation last year profits could recover to around £5m, but the dividend is not likely to be restored so soon.

That said the market was expecting more yesterday. The shares gained 2p to 40p, where they yielded about 12 per cent, enough to be going on with particularly as the chances of another bid must be on the cards.

Christopher Wilkins examines a change of direction in international lending

Upheaval in the Eurocurrency markets

EURO LENDING—HOW THE MARGINS HAVE SHRUNK

	1976	1977	1978	1979
	%	%	%	%
Algeria	1 1/2	1 1/2	1 1/2	1 1/2
Brazil	2 1/2	2 1/2	2 1/2	2 1/2
France	1 1/2	1 1/2	1 1/2	1 1/2
Hungary	1 1/2	1 1/2	1 1/2	1 1/2

Margins over London Interbank offered for seven years: * for 10 years.

The Eurocurrency markets are undergoing a more wide-ranging upheaval than at any time since the collapse of Herstatt Bank in 1974. The beneficiaries will be the borrowers. The losers will be the lenders. The question is whether, in contrast to the post-1974 period, the banks' "victory" will turn out to be a totally hollow affair.

Iran is not, in itself, the prime cause of the upheaval, except in the sense that the events since the Shah's fall have played a vital role in the Opec price increases of the past year. Rather, the financial war raging between the United States and Iran is providing the same kind of trigger as Herstatt provided five years ago. The conditions had already been created for an abrupt change of direction before the taking of the hostages.

The change which is underway will be seen by many bankers as a move back towards sanity in the international lending markets. Since mid-1976, by which time the scale of the Herstatt collapse and the consequent fear of more wide spread bank failures had died down, the profitability of Eurocurrency lending has been steadily contracting.

Expansive monetary policies and a growing American trade deficit fuelled the dollar liquidity of the international banking system. At the same time, levels of borrowing demand in the developed world prompted growth-oriented banks to seek new opportunities in international—especially Third World—markets, rather than at home.

The result was a borrower's market, and the borrowers took full advantage. The decline of the Opec surpluses (until this

year), meant fewer balance of payments crises among developing countries and improving credit worthiness. International borrowing soared from about \$21,000m in 1975 to some \$70,000m in 1978. This year it will be around \$80,000m.

The main symptom of the borrowers' supremacy was the increasing willingness of the banks in the face of fierce competition to concede longer maturity loans—commonly 10 to 15 years rather than five to seven—and to accept progressively lower profit margins over their own cost of money (see table). By the middle of 1978, margins had sunk to the point where the finest rate credits produced barely any profit at all.

All of this is now changing. The transformation is, perhaps, less sudden than it was at the time of Herstatt, but the evidence of a new mood is none the less clear. In some cases, lending margins have already risen. In others banks are proving reluctant to commit themselves on the same scale or at the same speed as three months ago.

The talk of possible default, or at least of unavoidable debt rescheduling, by important borrowers is again being heard.

This time it is Brazil and Poland whereas in 1974/5 it was Indonesia and Argentina. Meanwhile, the Japanese banks, an important lending force, have been virtually pulled out of the markets by a ministry of finance concerned over mismatching of deposits and loans and possible future dollar funding problems.

Underlying the swing from a borrower's to a lender's market is the financial and economic imbalance resulting from much higher oil prices. Morgan Guaranty Trust has forecast an Opec surplus of \$55,000m this year compared to a mere \$7,000m in 1978. The brunt of this will be borne by the developed world, but the deficit of the underdeveloped world—some \$30,000m last year—is projected to rise to more than \$40,000m this year.

Next year it should top \$50,000m and possibly more if oil prices go up further, as seems likely. Inflation rates will rise and economic growth rates will fall.

The result, of course, will be a much bigger borrowing requirement and a much reduced capacity to repay existing debt as it falls due. The problem is aggravated by the steep rise in absolute dollar rates.

Most Eurocurrency loans are made on a floating rate basis, and the recent efforts by the United States Federal Reserve Board (Fed) to limit monetary growth through a policy of high interest rates, inevitably means an onerous additional debt-servicing requirement. For example, a 1 per cent rise in dollar interest rates is estimated to add \$500m to Brazil's annual payments bill. United States prime rates are now 3 1/2 per cent higher than they were a year ago.

For lending banks, all the old assumptions on credit worthiness are having to be scrapped. The risk implicit in international loans has plainly risen and with it the demand of the banks for a commensurate return.

At the same time, the need of the banks for international growth is diminishing. In the United States domestic loan demand has this year been running at a record level. Elsewhere it has been more sluggish, but for most banks, especially those with a big base of cheap or free current account deposits, high interest rates, in any case, equate with high profitability. In such conditions, low margin wholesale operations as characterised by Eurocurrency lending, become less and less attractive.

Iran has added a new uncertainty, raising questions about the dollar's future and undermining previous assumptions about the independence of the Eurocurrency market from political influences—a fundamental basis for the market's existence.

But the real concern among bankers now is whether they will be able to fulfil in the early eighties the same role

they undertook in the mid-seventies. So far, the banking system has been heavily relied upon to funnel the Opec surpluses back to the deficit nations in the form of loans. Given the scale of those surpluses, the banks will be required to expand their deposit-taking and lending capability sharply in the coming years, much as they have in the past five years.

In the first place, as already noted, they may not be willing to do so. In the second, they are likely to face increasing constraints from central banks around the world which are concerned over the untrammelled scope for credit creation in the Eurocurrency markets.

The possible controls under discussion in Basel may take the form of reserve requirements on Eurocurrency deposits or simply of prudential controls exercised through some form of capital ratio.

Unquestionably, however, those banks which have managed their international business independently from their parent bank balance sheets will be obliged to conform more closely to some consolidated group concept or supervisory purposes. The implication is that balance sheets and, therefore, lending will be limited by the growth of the banks own capital. Here is the core of the problem.

If the banks are not making sufficient profits to enable them to grow fast enough to satisfy the borrowing requirement of deficit countries, the only way to increase the growth of the international organizations. Hence the renewed debate about how the IMF, the World Bank and so on can fill the void that seems inevitably to be looming.

Oliver Stanley

Capital taxes: how much room for manoeuvre



Lord Cockfield: a difficult man to convince.

currency of Swiss francs or Deutsche marks, that which, say the cynics, no better incentive can be conceived.

In fact, that represents a complete misunderstanding of the government view. In *The Right Approach* of 1976 the then Conservative opposition said: "We would not think it right to remove all restraints on the aggregation and transmission of substantial wealth. It is no part of our aims to encourage the concentration of the country's assets in fewer and fewer hands."

This is the gospel according to Sir Geoffrey, which Lord Cockfield has been preaching at his series of meetings with national representative bodies. The chairman of the Confederation of British Industry, Institute of Directors, National Farmers' Union, County Landowners' Association, the professional institutes—have put forward detailed submissions on behalf of their members, earnestly pleading for relief. It is a tribute to the minister's stamina he has not disappeared under mountain of paper.

Lord Cockfield is a difficult man to convince and he can destroy a case with ease. So one of his beliefs in the principle "Consult first, draft the new law afterwards" so the 1980 Finance Bill debate should be less discursive and intellectual than it might be in other hands.

The representations made to him on capital taxes disclose a uniformity of outlook in business opinion: the capital transfer tax threshold is too low and the rate goes up too steeply to too high a maximum rate. A threshold of £50,000 seems sensible, the value of a comfortable—but not a luxury—house. A top marginal rate of 50 per cent at the £3m mark is favoured by the CBI, and this seems a likely profile.

Trusts and trustees have been harshly treated for CTT and it is argued that the attempt to

treat them as mere tax shelters should cease.

On capital gains tax the central problem is inflation. Two alternative solutions have been canvassed—indexation (adjustment in line with, say, a price index) and tapering, a progressive reduction of the chargeable gain over a stipulated period, perhaps, three years (Institute of Directors) or seven years (CBI).

The minister's preliminary and tentative conclusion is that indexation is administratively too complex, particularly for stock exchange securities; and tapering is too crude and does not solve the problem.

Another popular prayer is for more roll-over relief—that is, deferral of liability until sale of the asset replacing the one sold. Double liability on gifts—CTT and CGT—should be eliminated and, anyway, the rate of 30 per cent is surely too high.

Some representations are extraordinarily detailed. The Unquoted Companies Group (21 members who provide employment for 171,000 people) lists twenty-five different changes needed, the first 10 of which are extracted verbatim from a letter written by Sir Geoffrey Howe (in Opposition) to Mr Denis Healey (then Chancellor) dated April 2, 1975.

That letter renewed the Conservative pledge to "repeal" capital transfer tax, but that was a long time ago.

The chairman of the Unquoted Companies Group, Sir

Emmanuel Kay, cites Canada and Australia as precedents for abolition of capital taxes. He says that in those countries abolition was little criticized and, in particular, there was little public controversy in Australia, a country with a strong trade union movement and a major Labour Party.

Presumably, he had not read the TUC submission to Lord Cockfield, which calls for stronger CTT and, of course, an annual wealth tax.

Lord Cockfield will not recommend abolition, both for reasons of philosophy—the need for "restraints"—and on yield grounds. Capital taxes, he declares, yield £2,000m and government has no scope for such reductions. The yields of CTT and CGT—respectively £400m and £600m—are low enough to represent constraints on further reduction, for it is uneconomic to reduce taxes to levels which make the tax costly to collect.

What of development land tax? Lord Cockfield says that all that is to be done has been done. On inheritance tax, there is a long-term aim to harmonize with Europe, but the Green paper Lord Cockfield produced under Lord Barber was unenthusiastically received, as he himself conceded.

Finally, there are the wider issues. If next April increased income taxes are needed as a defence against wage inflation, then that will hardly be the moment to abolish or reduce capital taxes.

All in all, it does seem that the Government has left itself with little room for manoeuvre and the various constraints may limit changes to the thresholds, rates and technical adjustments designed to simplify and draw the tax. Abolition is not in prospect.

Business Diary: Scotch thistle • Driving a hard bargain

are dusting off an oldish toast, "Confusion to the victor" in the Scotch whisky. It is a conversation with Combe yesterday is easy to go by.

Combs is the managing director of a lively British distillers, Long John International, as well as a board member and public spokesman for the industry's pressure group, Scotch Whisky Association.

Combs says, will lead tartan rumbles about the 1 for retaliation against imports here. Combs says the less says he agrees.

Combs says, "I don't know if it's a right thing to do, but I don't think it's a right thing to do."

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Hollowood

Doctor, I'm sure I am neither ill nor rich enough for a prescription this long.

Combs says, "I don't know if it's a right thing to do, but I don't think it's a right thing to do."

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Andrew Walters wants Sir Keith Joseph, Secretary of State for Industry, to tell him what a letter is.

Walters is managing director of the IML Air Services Group, which specializes in air couriers in rushing out business packages from one side of the world to the other.

As the rules stand at the moment, IML is allowed to carry a letter from a businessman in London to his partner in, say, New York, but if that same businessman sends a personal letter to his mother only the Post Office can carry it.

Walters wants the law clarified because, he believes, many businesses think they are doing something illegal, immoral or fiddling in using courier services.

He says that British business is losing millions of pounds in lost and delayed mail because so many feel compelled to use the Post Office. He is to see Department of Industry officials at his invitation today to put his case.

Walters will urge that the view which Keith is carrying out of the Post Office monopoly should be clarified and for all the position of private enterprise in business communications.

Walters, who is only 34, joined the army as a rifleman at 17 and later became a pilot. He was seconded to the Air Corps, flying helicopters and founded IML in 1972 with capital of £200. The company now turns over £10m a year.

Walters wants to increase its sales of BL cars from 20 a year to 500. Renton, in questioning Sir Keith Joseph, the Industry Secretary, in the House on Monday, added that if it was the case then Sir Keith should see that no further taxpayers' money went to BL.

A BL spokesman told Business Diary yesterday: "We don't deserve this sort of adverse publicity without the facts being known. There are facts which show that BL distributors operating in Norwich, Kennings, Mann Egerton and Duff Morgan."

They are highly efficient operators, achieving satisfactory coverage of the area. There is no room for another major dealership.

Renton disclosed to MPs that he was "associated" with the new owners of the garage but did not name them. Business Diary's researches yesterday revealed that Anglian Windows had acquired St Benedicts Motors, a small BL retail outlet, in Norwich city centre, which handles 30 or so cars a year.

But St Benedicts was acquired without consulting BL and, as anyone in the motor trade will tell you, you cannot buy and sell franchises. Anglian and/or St Benedicts should have consulted BL first. But, Sir Kenneth's constituency is a bit far from BL-and.

A handwritten caption reproduced in all seriousness in the newsletter of the University of London Computer Society describes "Experiments repeat experiments with the courier service. Maybe the computer wrote it."

Ross Davies

SERCK LIMITED

PRELIMINARY ANNOUNCEMENT

Year ended 30 September 1979

	1979	1978
Group sales	£7000	£7000
Profit before interest	91,900	93,300
Interest charges—net	3,304	6,094
Interest charges—net	1,704	944
Group profit before taxation & extraordinary items	1,600	5,150
Taxation relief (charge)	49	(2,308)
Earnings	1,669	2,900
Extraordinary items—closure & major reorganisation costs	3,124	—
Dividends: Interim—paid per share	2.2p	2.2p
Final—proposed per share	1.2p	4.334p
Earnings per share	3.9p	7.3p

At the year end borrowings less cash and deposits were £11.5m. (1978 £1.3m.)

RESULTS

As indicated in May depressed market conditions in some of our major customer industries together with industrial disputes had substantially reduced profits for the first half of the year. Results in the second half were adversely affected by the engineering industry dispute but nevertheless showed an improved trend.

DIVIDEND

In the circumstances the board considers it prudent to make a cut in the final dividend. Subject to unforeseen circumstances the revised payment for the year should be at least maintainable in 1980.

CORRECTIVE ACTION

A series of measures aimed at restructuring the group to meet a continuing weakness in some of our markets has taken place. These measures include the closure of Serck Tubes. The cost of £3.1m has been treated as extraordinary expenditure.

PROSPECTS

We expect a much improved year with the better trend shown in the second half results continuing. Considerable cost savings have been achieved in the heat transfer and valve companies and the closure of Serck Tubes has removed a substantial potential loss.

The annual report will be posted to shareholders on 16 January 1980 and the annual general meeting will be held in Birmingham on 14 February 1980.

Borthwicks

International meat processors and traders
Preliminary Announcement
for year ended 30th September 1979

	1979	1978
Group turnover	£573,756,000	£512,160,000
Profit before tax	£7,341,000	£6,222,000
Profit attributable to Shareholders	£4,563,000	£4,559,000

The mainstream meat business produced a satisfactory, but unexciting result. Australia and New Zealand did well with beef sales to the U.S.A., but New Zealand did badly with lamb due principally to poor market conditions in the U.K.

The newer businesses outside the mainstream meat operations are moving forward, especially the vigorously expanding retail shops in the U.K. and France.

A total dividend for the year of 6.2p per share on 45,146,378 shares, amounting to £2,799,000 is recommended. In 1978 a total dividend of 6.2p per share amounting to £2,796,000 was paid.

Registered Office: Priory House,
St. John's Lane, London, EC1M 4BX.

S. Simpson

LIMITED

The 46th Annual General Meeting of S. Simpson Limited was held on 11th December in London, Dr. S. L. Simpson, Chairman presiding. The following are extracts from his circulated statement.

Turnover has been further increased in the year under review, but not with the same degree of profitability, largely due to the degree of increase in inflationary costs, direct and indirect, industrial and social unrest and excessive taxation referred to in the penultimate paragraph of my 1978 Report. These factors and the paradoxical excessive strength of Sterling in the international monetary field were more serious in their impact on profitability in the second half of the financial year. Nevertheless we have made progress in several directions and widened our base for trading throughout the world.

On the manufacturing side, we continue our policy of optimum investment in new manufacturing plant and technology to ensure the high quality tailoring essential for success in competitive markets at home and overseas.

Our existing licensees continue to carry the name of DAKS throughout the world and we have recently renewed our licensing agreements in Japan and initiated licensing arrangements in the U.S.A. and Switzerland for a range of DAKS Accessories.

Once again, as Chairman, I am pleased to tender my thanks and appreciation to all my colleagues on the Board and to the employees of all Companies within the Group for their untiring efforts and loyalty during the past year.

UK must develop microprocessor if it is not to 'go out of business'

By Kenneth Owen
Technology Editor

If Britain does not move forward with the new technology of microprocessors the country will "go out of business", a Department of Industry report published yesterday says. For the country to stay as it is is not an available choice.

Wealth could be generated by grasping the opportunities offered by the microelectronic revolution. But in-built resistance to change in the institutionalised conflict between management and labour might prevent this, and "serious social disruption" could result. "Should events merely be left to take their course, without the creation of a reasoned and definite strategy, there is some ultimate danger of either an unwholesome State-centralised control, or an unchecked and violent society with inequitable contrasts between rich and poor."

A consensus view of 35 individuals, described as experts, from the electronics industry, manufacturers and users of technology, trade unions;

government agencies and Parliament; and from a group of "commentators" including consultants, a professor and a journalist.

Their opinions on the impact of microprocessors on business of industry in connection with the Department's Microprocessor Application Project. The resulting report has been published by the National Computing Centre.

If the United Kingdom fails

to apply microelectronics at least as rapidly as other countries do, much of British industry will come under heavy and intensifying competition from overseas, the report says.

Microprocessors have three broad types of impact. They "enhance people's capabilities and enrich their lives" by simulating the manufacture of new products; they conserve other resources such as energy or materials; and they can act as substitutes for labour, by decreasing the amount of labour required for a given output or increasing the output of a given labour force.

Professor Ernest Braun, of the Technological Policy Unit, University of Aston, and one of the experts consulted for the report, said at a press conference yesterday that the threat of technological unemployment would be overshadowed by unemployment caused by general economic factors. But, the report says, the technology will tend to aggravate the structural situation and may easily be blamed as a scapegoat for any problems that arise.

Mr David Pirbright, director of the National Computing Centre and another of the experts consulted for the report, said: "Microelectronics is good fortune, not misfortune."

There could be a shift in the geographical pattern of wealth creation in Britain, the report suggests, with the decline of manufacturing in the north and the rise of new information and service industries in the south. Impact of microprocessors on British business. Published by the National Computing Centre, Manchester. Price, £5.50.

Forecasters predict gloomy year ahead

Britain faces a drop in output next year, with rising unemployment, and continuing high levels of inflation according to all but one of the economic forecasters quoted below. Surprisingly, perhaps, the Treasury

is the most pessimistic about output next year—predicting a drop of 2 per cent in the economy. The National Institute of Economic and Social Research is the most optimistic about growth prospects.

FORECASTS FOR THE BRITISH ECONOMY

	NIESR	LBS	CE	ST.J.	P & D	Treasury
(% change between years unless otherwise stated)	(Nov)	(Nov)	(Dec)	(Oct)	(Dec)	(Nov)
Gross domestic product	0.2	-1.1	-1.0	-1.3	-0.9	-1.8
Inflation	16.3	15.5	16.9	16.4	13.2	14.1
Unemployment (000)	1,420.2	1,267	1,500	1,800	1,650	1,458
Consumer spending	1.6	0.1	-0.5	-0.9	0.7	-1.2
Private investment in housebuilding	-2.0	-2.4	-0.7	-6.6	-0.8	-3.1
Public investment in housebuilding	-4.3	-2.2	-1.5	-6.6	-0.8	-4.1
Public authorities' consumption	-0.1	0.5	-0.6	1.1	0.5	-0.8
Stockbuilding (£m 1976 prices)	1,481	-396	291	-800	0.2	-100
Exports	4.0	4.0	2.9	1.9	2.9	3.2
Imports	1.7	-1.1	0.8	-1.4	-0.4	0.2
Balance of payments current account deficit (-) Year 1980 £m	-3,300	-660	-300	+1,300	-2,200	-900
PSBR (£m 1980-81)	9,000	11,200	10,000	9,600	10,200	8,900
Money supply (% change in EM3 fiscal 1980-81)	9	7.5	9	8.8	11.7	7.7

NIESR: National Institute of Economic and Social Research; LBS: London Business School; CE: Cambridge Economic; ST.J.: St James' Group; published in Economist; P & D: Phillips and Drew; 1 fourth quarter 1980 on fourth quarter 1979; 2 fourth quarter 1980; 3 excluding oil; 4 gross fixed investment; 5 private fixed investment; 6 public corporation's fixed investment; stockbuilding as % gdp; 7 second quarter 1981 on second quarter 1980; 8 PSBR is forecast to stay at about the same % in many firms as in 1978-80.

Forecasts for gdp components are in constant prices.

* The private forecasts assume policy changes. For details readers should refer to original sources. Categories in different forecasts are not completely comparable, but differences are minor. Differences in result also reflect difference in assumptions, model constructions and date at which work performed. The month in which work was published is given in brackets. Forecasts published by the Treasury twice-yearly. NIESR, CE and ST.J. four times a year; LBS three times a year; HG and P & D revise their forecasts every month.

Business appointments

Mr Macmillan to join board of Yarrow and Co

Mr Maurice Macmillan has joined the board of Yarrow and Co as a non-executive director.

Mr T. C. Congdon will be joining L. Messel & Co with effect from April 14 next year.

Mr A. R. M. Brown has been appointed commercial director of Dowty Meco.

Mr Michael Hargrave is to join the board of Neil and Spencer Holdings.

Mr J. J. Stringer, deputy chairman and managing director of Wadham Stringer, has been appointed to the main board of TKM.

Mr J. Sleaf, an executive director of TKM, has been appointed to the Wadham Stringer board.

Mr L. F. Titcomb has been appointed chairman and continues as managing director of Norman Hay following the death of Mr Norman Hay, chairman and joint managing director.

Mr R. D. Romeril, deputy chief accountant, Mond Division, and Mr G. R. Madder, general manager of finance, ICI New Zealand, have been appointed assistant treasurer of ICI.

Mr Douglas R. P. Baker, managing partner and chief executive of Touche Ross & Co has been elected chairman of the board of governors, Touche Ross International.

Mr Richard Hurn, property and development, R.A.T. Stores Holdings, and Mr John Sheldrake, company secretary of International Stores, have been appointed directors of Argus.

Sir Ian McLennan, chairman of Australia and New Zealand Banking Group (ANZ), has been elected chairman of the restructured board of the Bank of Adelaide, and Mr M. Brumby, ANZ managing director, deputy chairman.

Former chairman Sir Anthony Rymill and Mr E. H. Burgess will remain as directors. Other appointments are Mr J. D. Milne, ANZ general manager and Mr A. G. Kilpatrick, ANZ assistant general manager.

Mr A. M. Simpson, former deputy chairman, Mr D. M. Fowler, Mr E. S. Turner, Mr P. E. Wells and Mr M. Asley have retired from the board.

Mr Ian Clark has been reappointed a full-time member of the board of the British National Oil Corporation for a further period of one year.

Mr J. E. Ward has been appointed chief executive and a director of Lewis & Peat (Merchandising) and chairman and director of Wogan-Intercept. He will continue as a director of Guinness Peat International.

Mr Robert Petrolu, Mr F. C. Simeons will be appointed a director of Guinness Peat International, and will remain a director of Lewis & Peat (Merchandising). Mr C. J. Craig will be appointed managing director of Guinness Peat (Overseas) while retaining a director of Guinness Peat International.

Mr Hugh Ellis has been appointed managing director of Intercity Electric and Mechanical Services.

Mr J. J. Francis has been appointed chairman-elect of Dobson Pack Industries.

NOTICE OF REDEMPTION

To the Holders of

Honda Motor Co., Ltd.

7½% Guaranteed Sinking Fund Debentures Due 1981

NOTICE IS HEREBY GIVEN, that One Million Three Hundred Thirty Three Thousand Dollars (\$1,333,000) principal amount of Honda Motor Co., Ltd. 7½% Guaranteed Sinking Fund Debentures Due 1981 and bearing the following serial numbers, have been drawn for redemption for account of the Sinking Fund on January 15, 1980 at the principal amount thereof and accrued interest to that date.

DEBENTURES IN DENOMINATION OF \$1,000. EACH

21	1882	2382	4720	5828	6887	8582	9882	11380	13084	14877	16288	18284	19784	21284	22784	24284	25784	27284	28784	30284	31784	33284	34784	36284	37784	39284	40784	42284	43784	45284	46784	48284	49784	51284	52784	54284	55784	57284	58784	60284	61784	63284	64784	66284	67784	69284	70784	72284	73784	75284	76784	78284	79784	81284	82784	84284	85784	87284	88784	90284	91784	93284	94784	96284	97784	99284	100784	102284	103784	105284	106784	108284	109784	111284	112784	114284	115784	117284	118784	120284	121784	123284	124784	126284	127784	129284	130784	132284	133784	135284	136784	138284	139784	141284	142784	144284	145784	147284	148784	150284	151784	153284	154784	156284	157784	159284	160784	162284	163784	165284	166784	168284	169784	171284	172784	174284	175784	177284	178784	180284	181784	183284	184784	186284	187784	189284	190784	192284	193784	195284	196784	198284	199784	201284	202784	204284	205784	207284	208784	210284	211784	213284	214784	216284	217784	219284	220784	222284	223784	225284	226784	228284	229784	231284	232784	234284	235784	237284	238784	240284	241784	243284	244784	246284	247784	249284	250784	252284	253784	255284	256784	258284	259784	261284	262784	264284	265784	267284	268784	270284	271784	273284	274784	276284	277784	279284	280784	282284	283784	285284	286784	288284	289784	291284	292784	294284	295784	297284	298784	300284	301784	303284	304784	306284	307784	309284	310784	312284	313784	315284	316784	318284	319784	321284	322784	324284	325784	327284	328784	330284	331784	333284	334784	336284	337784	339284	340784	342284	343784	345284	346784	348284	349784	351284	352784	354284	355784	357284	358784	360284	361784	363284	364784	366284	367784	369284	370784	372284	373784	375284	376784	378284	379784	381284	382784	384284	385784	387284	388784	390284	391784	393284	394784	396284	397784	399284	400784	402284	403784	405284	406784	408284	409784	411284	412784	414284	415784	417284	418784	420284	421784	423284	424784	426284	427784	429284	430784	432284	433784	435284	436784	438284	439784	441284	442784	444284	445784	447284	448784	450284	451784	453284	454784	456284	457784	459284	460784	462284	463784	465284	466784	468284	469784	471284	472784	474284	475784	477284	478784	480284	481784	483284	484784	486284	487784	489284	490784	492284	493784	495284	496784	498284	499784	501284	502784	504284	505784	507284	508784	510284	511784	513284	514784	516284	517784	519284	520784	522284	523784	525284	526784	528284	529784	531284	532784	534284	535784	537284	538784	540284	541784	543284	544784	546284	547784	549284	550784	552284	553784	555284	556784	558284	559784	561284	562784	564284	565784	567284	568784	570284	571784	573284	574784	576284	577784	579284	580784	582284	583784	585284	586784	588284	589784	591284	592784	594284	595784	597284	598784	600284	601784	603284	604784	606284	607784	609284	610784	612284	613784	615284	616784	618284	619784	621284	622784	624284	625784	627284	628784	630284	631784	633284	634784	636284	637784	639284	640784	642284	643784	645284	646784	648284	649784	651284	652784	654284	655784	657284	658784	660284	661784	663284	664784	666284	667784	669284	670784	672284	673784	675284	676784	678284	679784	681284	682784	684284	685784	687284	688784	690284	691784	693284	694784	696284	697784	699284	700784	702284	703784	705284	706784	708284	709784	711284	712784	714284	715784	717284	718784	720284	721784	723284	724784	726284	727784	729284	730784	732284	733784	735284	736784	738284	739784	741284	742784	744284	745784	747284	748784	750284	751784	753284	754784	756284	757784	759284	760784	762284	763784	765284	766784	768284	769784	771284	772784	774284	775784	777284	778784	780284	781784	783284	784784	786284	787784	789284	790784	792284	793784	795284	796784	798284	799784	801284	802784	804284	805784	807284	808784	810284	811784	813284	814784	816284	817784	819284	820784	822284	823784	825284	826784	828284	829784	831284	832784	834284	835784	837284	838784	840284	841784	843284	844784	846284	847784	849284	850784	852284	853784	855284	856784	858284	859784	861284	862784	864284	865784	867284	868784	870284	871784	873284	874784	876284	877784	879284	880784	882284	883784	885284	886784	888284	889784	891284	892784	894284	895784	897284	898784	900284	901784	903284	904784	906284	907784	909284	910784	912284	913784	915284	916784	918284	919784	921284	922784	924284	925784	927284	928784	930284	931784	933284	934784	936284	937784	939284	940784	942284	943784	945284	946784	948284	949784	951284	952784	954284	955784	957284	958784	960284	961784	963284	964784	966284	967784	969284	970784	972284	973784	975284	976784	978284	979784	981284	982784	984284	985784	987284	988784	990284	991784	993284	994784	996284	997784	999284	1000784	1002284	1003784	1005284	1006784	1008284	1009784	1011284	1012784	1014284	1015784	1017284	1018784	1020284	1021784	1023284	1024784	1026284	1027784	1029284	1030784	1032284	1033784	1035284	1036784	1038284	1039784	1041284	1042784	1044284	1045784	1047284	1048784	1050284	1051784	1053284	1054784	1056284	1057784	1059284	1060784	1062284	1063784	1065284	1066784	1068284	1069784	1071284	1072784	1074284	1075784	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FINANCIAL NEWS

Ashton's diamond find

by Michael Prest
Appetites in the diamond business were whetted yesterday by two announcements of exploration results. The Ashton joint venture in Australia issued figures suggesting that its deposit may be more extensive than was thought while Leichardt Exploration, another Australian company, describes its preliminary sampling in Namibia as "highly encouraging".
The Ashton announcement is in line with the company's policy of supplementing its normal quarterly statements with reports on special occasions. The reason this time is the annual general meeting of Northern Mining on Friday. Northern has a 5 per cent stake in Ashton.
Ashton, whose announcement of a deposit in Western Australia last year sparked off an outburst of diamond fever, said that one kimberlite sample of about 33 cubic metres yielded 47 carats. Four stones were bigger than one carat, and one was 1.83 carats.
The company also took 11 samples from the alluvial deposits downstream from the kimberlite pipe. The 250 cubic metres of material yielded 2,968 carats. The number of stones exceeding 1 carat was 167, and the biggest was 4.6 carats. The total number of stones was not given.
Leichardt's exploration is much less advanced. Samples from its prospect at Auken in Namibia showed fresh kimberlite indicator materials. A full report will be issued in two months when analysis of the materials is complete.
Diamond industry sources point out, however, that proving the existence of diamonds is one thing, and finding an economic source is another. It could take as long as another three years before the potential of the Ashton site is confirmed. The company in which the biggest shareholder is Cominco Riofrio of Australia with 32.6 per cent, itself 56.3 per cent controlled by Rio Tinto-Zinc, emphasises that the results to date cannot be taken as representative of all the alluvial deposits. Moreover, no professional assessment has been made of the ratio of gem stones to industrial diamonds.

Dobson Park up as toy sales boom

By Alison Mitchell
Lurking below the surface of engineering and mining supplies group Dobson Park is a booming toy company.
In the year to September 29, 1979, group pre-tax profits overcame the engineering strike and bad weather conditions to rise £500,000 to £142m, and of this the sales of "Petite" toy typewriters and cash registers are thought to have contributed some £1.5m. Total turnover in the year rose by £10m to £142m. Although toy demand is likely to fall in the current year—as Christmas sales languish at a lower level than previously—Dobson intends to make up the leeway by introducing a range of sewing machines for teenagers, and the micro chip into their other toy products.
Elsewhere in engineering, the trend was not so positive. The year's profits—taking in a £500,000 loss from the strike—dropped £250,000 to £24m. The mining machinery division increased its pre-tax profit

Borthwick slightly ahead

By Baron Phillips
One of Britain's largest meat traders, Thomas Borthwick, managed to keep on the right course in the 2 months to September 13. Attributable finished profits just ahead at £4.56m against £4.55m.
This attributable profit is struck after including an extraordinary credit of £740,000. In last year's accounts the profit was struck after taking into account an extraordinary debit of £39,000. Without either of these extraordinary items, the picture would look somewhat different.
The processing and retailing group increased turnover by around 12 per cent to £573.76m against £512.16m. Pre-tax profits rose faster than this. Borthwick finished the year 8 per cent ahead at £7.34m, compared with £6.22m. The group suffered tax charges almost double the 978 figure of £3.95m.
Earnings a share fell from last year's 10.53p to 8.47p, but the final dividend of 3.8p brings the 12 months' total to 6.2p, the same as last time.
The board states that the main reason for the disappointing result is the Australian and New Zealand operations which did well, but weak market con-

ditions in the United Kingdom for lamb hit New Zealand sheep operations. The board reports that the performance of its "vigorously expanding retail chain" in the United Kingdom and France.
It now considers that the group exercises sufficient influence over the Stanbrook Personal Company to classify the company as an associate.
The board also reports exchange losses of £23.3m which it attributes to the strength of sterling. This loss has been charged to reserves.

Carroll Inds sales top £100m

By Our Financial Staff
Dublin-based cigarette group, Carroll Industries managed a 15 per cent uplift in sales for the 12 months ended September 30, 1979. Group sales rose from £99m to £114.55m, which helped to boost trading profits by more than 22 per cent to £5.17m against £5.052m last time.
Trading profits of the group are based on historical cost convention, and after making adjustments of depreciation, cost of sales and monetary working capital, Carroll's profit came out at £5.27m compared with £3.94m.
Pre-tax profits under current cost accounting is £4.732m, an 18 per cent improvement over last year's £3.98m.
On the group's cigarette performance, the board says it has been very satisfactory. The company increased its share of the domestic market over the year from 49 per cent to more than 50 per cent. Two products, Carrolls Number 1 and Major

Barker & Dobson loss; no interim payment

Barker and Dobson, the sweet and confectionery manufacturer and retailer, was hit by its Irish subsidiary in the first half-year, which brought the group into an overall loss. Profits of £225,000 last year turned into pre-tax losses of £112,000, while sales dropped back from £17.6m to £16.4m in the 26 weeks to October 13, 1979. The interim dividend has been passed.
Lemon, the troublesome Irish subsidiary, has now transferred its selling and distribution divisions to Irish Tea Merchants but the move cost Barker's £114,000 in redundancies. Mr Ronald Aitken, chairman, said that the company is now trading profitably and he believes the losses will not recur.
But trading conditions remain difficult in the sugar-based confectionery industry and there has been a substantial reduction in demand," he added.
Mr Aitken is optimistic about next year, although he admitted recovery is unlikely in the second half. "The measures we have taken will provide for sound growth in the future."

1978-79 accounts, this would mean the board would now be able to borrow up to £9.78m.
Warning from board at Catter Guard
The paper-making group of Catter Guard Holdings boosted its pre-tax profits by 86.8 per cent to £228,000 in the half-year to September 30. But, the board finds it difficult to be optimistic about the outcome of the current year.
Although in value, turnover was 15 per cent higher, at £11.75m, there was only a two per cent increase in volume. Barker's board warns it seems certain that conditions in the United Kingdom will be less favourable in the rest of the year and indications are that order books will be slimmer. Competition will affect margins.

James Creen almost at £2m mark
On turnover 257 per cent up at £27.03m (Irish currency), pre-tax profits of the Dublin-based James Creen group rose by 30.8 per cent to £1.98m—a record—in the 12 months to June 30. The total dividend is being lifted from 7.5p (adjusted) to 8.57p gross. Another rise in pre-tax profits is expected for the current year. Creen covers many activities, including the bottling and distribution of stout and beer and the manufacture of mineral water.

Rotheschild Trust's revenue up 25 per cent
Having reached a record £5.75m in 1978-79, pre-tax revenue of Rotheschild Investment Trust goes marching on. It rose by 25 per cent to £3.17m in the half-year to September 30.
As known, the interim payment, gross, is being lifted from 2.98p to 3.57p. Net asset value per 50p ordinary share at September 30: pre-conversion, 376p (308p a year earlier) and post-conversion, 369p (307p a year earlier).

Wilson Bros down in first six months
With turnover down from £7.14m to £7m for the half-year, Wilson Bros, the card and stationery group, fell from £562,000 to £345,000. However, the board expects that the trading profit ratio will increase in the second half, with growing trading heavier interest charges, the year's pre-tax profits should not be materially different from the previous year's.

International Timber Corporation

Interim Report

The profit for the first half is struck after exceptional costs of over £200,000, mainly related to the closure of Yarmouth. With the addition of Bamfild to the first half of the previous year to provide a comparable basis, sales show an increase of 18%. Similarly pre-tax profits, despite being reduced by high interest charges, are up by 8%.

Trading for October and November has continued satisfactorily but in current economic conditions the first quarter in 1980 is likely to be more difficult.

Your Board has decided to pay an interim dividend of 3.3p per Ordinary Stock Unit (1978/80p). The interim dividend will be paid on April 8th 1980 to stockholders on the register on March 7th 1980.

This issued ordinary share capital of the Company was increased in July 1979 by a Rights Issue of £7,750,781. Ordinary shares of 25p each in the proportion of one new Ordinary share for every four existing Ordinary stock units of 25p each held. The new Ordinary shares were subscribed for on or before July 8th 1979 and converted to Ordinary stock units and have the right to the interim dividend payable on April 8th 1980. In the Group Results earnings per Ordinary stock unit for September 30th 1978 and March 31st 1979 have been recalculated to reflect the Rights Issue.

Group Results	Unaudited for the half year to	Audited for the year to
External Sales	£0.9.79	£0.9.79
Profit for the Period	£4.902	£4.902
Profit before Taxation	£4.902	£4.902
Taxation £228,000 (1978 £196,000)	2,314	1,818
Group Profit for the period after Taxation	2,588	3,084
Cumulative Preference Stock Dividend Paid	5	9
Interim Dividend requires Amount for each Ordinary Stock Unit	9.5p	9.5p
Earnings per Ordinary Stock Unit	8.5p	21.1p

First-half knock to Beechwood
Having more than doubled its profits to a record £704,000 pre-tax in 1978-79, Dyfed-based Beechwood Construction (Holdings) is now down by a fifth in the current year.
In spite of turnover for the half-year to September 30 rising by 10 per cent to £5.4m, pre-tax profits fell by almost 22 per cent to £254,000. Increased costs, heavier interest charges, unseasonal weather, the higher cost of fuel and bituminous products and the engineering dispute are all blamed for the setback. However, the interim payment is being lifted from 0.84p to 0.88p gross. An arrangement for a term loan of £12.5m has been concluded with Barclays Bank. The board is proposing new articles of association to boost the group's borrowing powers. Based on the

N. Brown climbs by 43 pc at half-time
On turnover 144 per cent greater at £9.35m, pre-tax profits of direct mail order group N. Brown Investments jumped by 43 per cent to £431,000 in the six months to September 1. Earnings per share have risen from 1.86p to 2.5p, while the interim dividend is held at 1.17p gross. The board explains that it would normally have increased the interim, but in view of the present cost of money and the need to conserve resources, it decided it should be maintained. Brown's increase in sales has been maintained into the second half and, while the board is hopeful that profit growth can be held, there is no forecast for the year.

W Alexander looks for full-year rise
With turnover up from £14.61m to £18.35m for the half-year to September 30, pre-tax profits of Falkirk-based Walter Alexander rose by 23 per cent to £1.3m. Some subsidiary and associated companies have suffered in varying degrees from the engineers' strike (the board reports), but overall results are not expected to be significantly affected. In the absence of further disruptive action, Mr Walter R. Alexander, the chairman, expects the year's profits

Options
Trading will commence on Monday in Racial Electronics on the traded options market as replacement to EMI, now part of Thorn. The series will be made up of February, May and August 180p, 200p, and 220p series. In the meantime, business in the traded options market yesterday remained at a fairly low ebb, compared with the rest of the equity market which was a little more active. Activity among traditional options was at a slightly higher level with a fair amount of two way business.

Recent Issues

Company	Issue	Price
British Overseas Airways	£10m	100p
British Telecom	£10m	100p
British Airways	£10m	100p
British Airways	£10m	100p

N.V. Beleggingsmaatschappij WERELDHAVE

(a limited liability company incorporated under the laws of The Netherlands registered in The Hague—No. 83420)

Share Capital	
Authorized	Issued and fully paid
Dfl.	before the current rights issue: Dfl.
129,999,800	55,292,500
130,000,000	69,115,740
200	200
Dfl. 260,000,000	Dfl. 55,292,500

Application has been made to the Council of The Stock Exchange for all the issued Ordinary Shares of N.V. Beleggingsmaatschappij WERELDHAVE ("Wereldhave") to be admitted to the Official List.

Particulars relating to Wereldhave are contained in the new issue cards circulated by Exel Statistical Services Limited and are available during usual business hours on weekdays (Saturdays and Bank Holidays excepted) up to and including 3rd January, 1980 from:—

Morgan Grenfell & Co. Limited,
New Issue Department,
4 Throgmorton Avenue,
London EC2P 2NB.

Pierson, Helderling & Pierson (U.K.) Limited,
19 St. Swithins Lane,
London EC4N 8AD.

Hoare Govett Limited,
27 Throgmorton Street,
London EC2N 2AN.

Norsk Hydro optimistic

Norsk Hydro expects 1980 to bring improved group profits but the Aker Group faces a probable decline. "Norges Industri"—the journal of the Federation of Norwegian Industries, reports.

The journal polled 42 industrial companies with revenue expectations for 1979 and 1980 in view of the expiry this month of a 15-month price and incomes freeze.

Some 23 companies forecast better results this year, compared with 1978, while 12 predicted worse and seven expected no change.

ROSEWELL says that it will enter 1980 with very high backlogs in all of its businesses but expects new orders to begin to slow early in the new year. The slowdown will particularly affect products sold into the

International

HONGKONG LAND has agreed with Jardine Securities, a member of the Jardine Matheson Group, to acquire 9 million ordinary shares in the Hongkong and Kowloon Wharf and Godown Co. (2.3 per cent). Following the acquisition, Hongkong Land Group will own just under 20 per cent of the issued share capital of HK Wharf.

In addition, Hongkong Land will acquire from Jardine their 25.9 per cent interest in East Point Hotels, which owns the Excelsior Hotel, bringing its total interest to 78 per cent. Their outstanding 39.1 per cent interest in East Point Management, the Excelsior Hotel Management, and the 50 per cent interest not already owned by Hongkong Land in Ecoland, which owns the Excelsior Shopping Centre.

Bank statements for November

Statements of the London Clearing Banks and their banking subsidiaries in England and Wales, the Channel Islands and the Isle of Man made up to November 21 are summarised in the table below.

Bank	Total	Current	Deposits	Loans	Reserves
Barclays	1,304	1,304	446	1,304	1,304
Bank of England	1,493	2,797	2,161	1,493	1,493
Bank of Ireland	1,000	3,787	2,659	1,000	1,000
Bank of Scotland	27	3,224	2,516	27	27
Bank of Wales	1,038	1,862	3,670	1,038	1,038
Bank of Cyprus	1,780	6,622	4,918	1,780	1,780
Bank of Greece	119	6,741	4,782	119	119
Bank of Italy	1,690	8,431	6,389	1,690	1,690

Arlington Motors Limited

50% Increase in half year profits

Summary of Results for the half year to 26 September, 1979.

	Half Year* 1979	Full Year 1978/79
Turnover	£1,341	£2,388
Group Trading Profit	1,458	944
Profit before Tax	1,047	697
Dividends per share	2.5p	2.5p
Earnings per share	12.2p	8.1p

* Half Year figures unaudited and after a full tax charge

- A very successful bus and coach season, helped by profits from Northampton Car Auctions and a useful contribution from petrol sales have resulted in record first half year figures.
- We are fortunate in having a wide spread of motor related activities. Overall, therefore, despite present uncertainties, we look forward to another satisfactory year.
- Dividend policy will be reviewed at the year end.

ARLINGTON MOTOR HOLDINGS

Commercial & Passenger Vehicles • Car Sales • Servicing
Vehicle Parts & Accessories • Petrol • Auctions
Leasing • Self Drive & Contract Hire
Motocycling • Hire Purchase Finance

BELL'S
SCOTCH WHISKY
BELL'S

§ Forward bargains are permitted on two previous days

Prices on this page are now supplied by Exchange Telegraph's Epte system and are the best prices available from London stock market dealers yesterday evening. Various indices produced by The Times, including the Index of 150 Industrial stocks, are being reviewed and recalculated to cover the period of non-publication.

